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TENTH
ANNUAL REPORT
of the



Unemployment Compensation
Commission of Montana ★ Helena



LEGISLATIVE RECOMMENDATIONS
TEN YEARS OF UNEMPLOYMENT COMPENSATION
ADMINISTRATIVE FUNCTIONS



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The Governor of Montana on Social Security for Montana

The following excerpts are from Gov. Sam C. Ford's legislative message to the 1945 Montana State Legislature:

"I believe the time has come to strengthen our social security laws. . . ."

". . . perhaps our own most effective way of countering the growing threat of federalization is to strengthen our own state programs.

"Through unemployment compensation we have partially provided for the able-bodied industrial worker when his pay check stops. We should now give some measure of insurance to the worker who becomes too ill to work. The disabled worker is in greater need than the unemployed worker. Cash sick benefit insurance should, in equity, have come before unemployment compensation, for the disabled worker faces increased expenses for medical and hospital care, in addition to his loss of wages.

". . . I believe we can devise a simple, workable and not too expensive plan to provide cash sickness insurance that will lighten the burden disability brings, and we should do so.

"We are, I think, now in a position where we can, with prudence and safety, liberalize our (unemployment compensation) benefit structure, and I recommend that we do so at this session as to the average weekly benefit amount, minimum and maximum amounts paid and duration in case of need.

"These programs should, in my opinion, remain with local management. . . . Unless Montana, in common with other states, assumes its responsibilities by improving its social security laws, more extreme and impractical measures are liable to be adopted at the behest of federal bureaus and management transferred to Washington.

"There is little that Montana can do to improve the federal old age system except to petition Congress for a resurvey of the present system, with the hope of expanding coverage and increasing the benefit structure. . . ."



Unemployment Compensation Commission of Montana ★ Helena



BARCLAY CRAIGHEAD
Chairman

LOUIS G. DeNAYER
Commissioner

CARL ANDERSON
Commissioner

December 1, 1946

The Honorable Sam C. Ford
Governor of Montana
Helena, Montana

Dear Governor Ford:

We have the honor of submitting the Tenth Annual Report of the Unemployment Compensation Commission of Montana.

The report contains a brief summary of activities of the Commission for the first decade, and more detailed statistics and material from July 1, 1945, to June 30, 1946. Also included are supplemental third and fourth quarter 1946 facts and estimates.

Since 1936, and estimated to January 1, 1947, the total gross income from all sources of this Commission during these nine and three-fourths years will have been about \$36,000,000.

Of this vast sum, \$30,500,000 has been received through some 400,000 quarterly tax reports from approximately 18,000 different individual-employing units. In addition, \$1,500,000 has been received in interest from our reserves, and \$4,000,000 in reimbursement from the Veterans Administration on payments made by this Commission, acting as agents for the federal government.

Collections have been made and accounted for with the minimum of friction; and with delinquency, we are certain, much less than one-half of one per cent, including bankruptcies. To this date, monies disbursed to veterans have been repaid by the federal government without the loss of a penny to the state.

During this period something approaching 4,000,000 individual wage records of more than 100,000 employees have been maintained and, as benefit claims appear, have been available and current from the first day of operations.

On January 1, 1947, the cash reserves of the Unemployment Compensation Commission will be approximately \$23,000,000.

Since benefit payments started in Montana on July 1, 1939, the Commission has disbursed to approximately 80,000 different individuals a grand total of approximately \$15,000,000. Of this sum, \$9,000,000 has been disbursed to civilians from the regular collections made by the Commission, and \$6,000,000 to veterans in combined self-employed and unemployment readjustment allowance payments.

It is of interest to note that despite many letters of protest, and some intimations of unnecessary and improper disqualification from within and without the state, to this date, out of about 1,100,000 individual payments, only in one instance has a claimant felt sufficiently aggrieved to seek recourse in the courts and endeavor by legal action to force the Commission to meet benefit payments that, in the opinion of the Commission, should not be paid. We have had about 330 appeals from preliminary disqualification to our own appeal section, but the law gives the right to any claimant to go into court and force payment, should he be unjustly denied; and only in one instance (that case related to payments demanded in the case of a labor dispute) have the courts been compelled to act; and in that instance the Supreme Court of Montana unanimously sustained the denial by the Commission.

During the past year notable progress has been made in our work. We have handled, we think successfully, the Readjustment Allowance Program for the Veterans Administration. We are handling, we think successfully, a cooperative statistical and informational agreement with the Bureau of Labor Statistics, Department of Labor. After some five years, the Employment Service division of the Commission has been returned to state management.

We believe unemployment compensation has proved of value during the period of reconversion.

After the first World War, with some 40,000 Montana boys in the armed services, less than half, for one reason or another, returned to make their permanent home in our state. As a result the population of Montana did not increase for two decades, nor did our state improve as we had just cause to feel should have occurred from the early twenties to the early forties. Without any proper or sensible plan to care for these returning veterans, they moved aimlessly about from one part of the country to another, and the human misery and the unfortunate results due to improper consideration of their problems are still, in thousands of individual cases, an unhealed sore in our economic life. To cite only one instance, this writer recalls, shortly after the first World War, counting 156 men riding a single freight train.

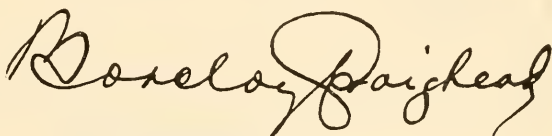
With a grand total of more than 70,000 in the armed services from Montana during World War II, nearly 60,000 by January 1, 1947, will have been discharged and, according to Selective Service records, will have returned to their home counties in this state. In addition, possibly 20,000 civilian workers, drawn by patriotism and high wages to war industries outside the state, also have returned. On October 1, 1946, only approximately 800 civilians and 2,000 veterans remain unemployed in this state. Of the civilians more than half are women and many are old men. Of the veterans a high percentage are partially disabled.

Thus, the Unemployment Compensation Program—and under this heading we include Readjustment Allowances to the veterans—has, we think, justified its cost, although large, in offering a breathing spell to workers in these difficult times and in retaining for Montana our labor supply, amply sufficient to meet the expansion possibilities of the future which the resources of this state justify.

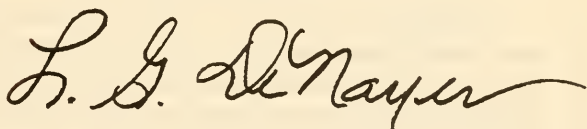
We believe if our employers and employees work together in the future, there is no sound reason why the next few years will not give to Montana the opportunity for growth and population and development of resources we lost after World War I.

Certain changes in the law are recommended to the Legislature. It is of interest to note that some of these changes were recommended in the first Annual Report of this Commission covering the year 1937.

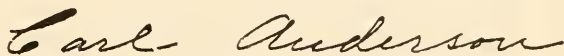
Respectfully submitted,



BARCLAY CRAIGHEAD, Chairman



LOUIS G. DE NAYER, Commissioner



CARL ANDERSON, Commissioner

GEORGE McMANIS

On August 24, 1946 in Billings, George McManis, 59, of Butte, a field advisor of the Unemployment Compensation Commission of Montana, died suddenly of a heart attack.

Mr. McManis joined the Commission in June of 1946, first as a senior interviewer, and soon was appointed a field advisor. He was stationed in Billings and engaged in claims investigations at the time of his death.

Surviving him are his widow and three small children.



AMBROSE J. FEY

Ambrose J. Fey, 62, for 12 years prominently identified with employment service work in Montana, died Christmas Eve, 1945, at his home in Glasgow, after an intermittent illness against which he had struggled for several months. Mr. Fey came into the service December 8, 1933, in the old NRS days, transferred to Missoula and then to the Montana State Employment Service under the Commission. In 1939 he moved to Bozeman to become manager there and in the same year to Glasgow in the same capacity. He is survived by his widow and one son.



ELDON M. PENFIELD

Service for 10 years in the Employment Service, first under the Commission and then under Federal jurisdiction, came to a close April 24, 1946 for Eldon M. Penfield at the Veterans Administration Hospital in Portland, Oregon. Penfield was in charge of the office at Livingston for eight years, then enlisted in the United States Navy in 1944, serving fourteen months, and returned after his discharge to the Livingston office. He is survived by his widow and a son and daughter.

**Tenth Annual Report of the Unemployment Compensation
Commission of Montana
1946**

TABLE OF CONTENTS

	Page
Letter of Transmittal	3
Foreword	8
Part I. Legislative Recommendations to the 1947 Montana Legislature	10
Part II. Ten Years of Unemployment Compensation	15
Part III. Cash Sickness or Temporary Disability Insurance Proposal	26
Part IV. Employment in Montana	35
Part V. Administrative Functions of the Commission....	45
Introduction	45
A. Unemployment Compensation	51
B. Interstate Agreement	88
C. Veterans Readjustment Allowance Program	89
D. Montana State Employment Service.....	102
Part VI. Appendix	107
Index	118
Tables, Charts, Maps	122
Insert	Inside Back Cover

FOREWORD

After 10 years of application in Montana, a re-evaluation of the public policy to which this Commission is committed by law seems desirable. Many changes have taken place in the field of social security since the beginning made in 1937 when the Montana Unemployment Compensation Act was passed. A great war has been fought and won, basic economic factors in the life of Montana have changed somewhat, and the future of social security in this state and in the nation points to broadening and bettering that program.

As stated in the law, the "Declaration of Public Policy" is as follows: (Section 2 of the Unemployment Compensation Law)

"Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of this State. Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the legislature to prevent its spread and to lighten its burden which now so often falls with crushing force upon the unemployed worker and his family. The achievement of social security requires protection against this greatest hazard of our economic life. This can be provided by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The legislature, therefore, declares that in its considered judgment the public good and the general welfare of the citizens of this State require the enactment of this measure under the police powers of the State for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own."

The law calls unemployment the "greatest hazard of our economic life." In the past three or four years, unemployment has not been apparent because of the demand for workers in every phase of commerce and industry, both private and governmental. With the ending of the war, unemployment as a result of reconversion became again a serious economic problem, but unemployment compensation and readjustment allowances for veterans took up the slack, providing a cushion for workers and business in the transition from a war-time economy to a peace-time economy.

In other words, unemployment insurance effectively jumped into the breach, and for Montana, at least, workers and business

were helped over the difficult period through the availability of funds for benefit payments to those unemployed "through no fault of their own" as realignment of industry to peace-time needs took place.

The reconversion or re-alignment was not made as rapidly as it could have been if materials and commodities had been plentiful, still the reconversion of industry in Montana and the nation was made more rapidly than predictions from Washington indicated. Instead of 6,000,000 unemployed in December of 1945 as predicted, there were only about 2,000,000 unemployed, and many of these were simply in a transition stage, resting from arduous war work or arduous service in the armed forces, or "shopping" around for suitable peace-time employment.

Unemployment insurance, then, was ready to assist in the change of economy, did so assist as it was designed, and now resumes its peace-time function in the economy of the country. Unemployment trust funds in Montana and other states, increased by virtue of high wages and little unemployment, now stand ready for the future, "unemployment reserves to be used for the benefit of persons unemployed through no fault of their own" mentioned above.

TABLE NO. 1

Social Insurance and Related Payments, Public Aid Payments, and Military Allowances in the Continental United States, in Relation to Total Income Payments, by State, 1944, for Seven States

State	Income Payments		Payments as Percent of Total Income Payments		
	Total (in millions)	Per Capita	Social Insurance and Related Payments ¹	Public Aid Payments ²	Military Allowances ³
Total	\$148,090	\$1,117	1.3	0.6	4.2
Florida	2,198	929	1.4	.6	5.0
Idaho	525	987	1.0	.9	3.9
Montana	514	1,105	1.5	1.0	3.8
Utah	606	998	1.1	1.4	4.4
Vermont	305	981	1.4	.6	4.1
Washington	3,048	1,483	1.1	1.1	2.5
Wyoming	255	992	1.0	.6	3.8

¹Payments under programs of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, veterans' pensions, workmen's compensation, State unemployment compensation, railroad unemployment insurance, and service-men's readjustment allowances.

²Payments to recipients under 3 special public assistance programs and general assistance.

³Includes payments under the emergency maternity and infant care program, and voluntary contributions by members of the armed forces.

Source: Income payments by State of residence from Department of Commerce, Survey of Current Business, August, 1945; percentages based on data from Department of Commerce, Bureau of Foreign and Domestic Commerce.
Reprinted from Social Security Bulletin, August, 1945, p. 50.

PART I.

Legislative Recommendations

When the 80th Congress convenes next year, one of the prime problems to be reopened will be that of broadening and liberalizing existing social security enactments on the federal level, including unemployment compensation.

In the latter part of 1945 and in the summer of 1946, the House Ways and Means Committee held hearings first on "Issues in Social Security" and later "Amendments to the Social Security Act." Large reports for both hearings were compiled on all phases of social security so that the Congress might be informed, as well as the public.

During the 79th Congress many bills were introduced in both houses to amend the Social Security Act, including the Wagner-Murray-Dingell bill, in whole and by piece work, and special bills for a national program of health insurance and extension of benefits under the Social Security Act.

The Congress acted on only a few of the bills; the hearings held were designed to facilitate the handling of this mass of legislation on a very controversial subject.

Action Postponed on Bills

It was also felt that a comprehensive picture of social security should first be obtained, then action taken. With the great amount of business that came before the last Congress, especially during the closing stages, it was decided to postpone action on all major social security legislation until the new Congress convenes next year.

The Montana legislature will meet in January of 1947. This Commission wishes now to present to the legislators of both Houses some of the problems of unemployment compensation in the interest of extension of coverage and liberalization of benefits, and tax collection.

The Commission wishes to reaffirm three principles we think should be kept in mind in evaluating proposed changes in the Montana Unemployment Compensation Act. These three principles are:

1. **There must be some local participation in management of social security in the proposed expansion.** This country is too

large and its resources too varied for a program affecting the lives of millions of individuals to be properly administered in all its details from one eastern city on the Atlantic seaboard. Therefore, we believe the State of Montana should not surrender control of this agency, directly or indirectly, to federal bureaus.

2. **In any program specifying definite benefits, the Commission feels that earmarked tax monies must be set aside for use in paying only such benefits in order that such a program may be permanent and so that those participating in the program may know exactly what they will get.** The commission is opposed to the use of bonds as the financial foundation of social security benefits of whatever kind involved. Payment of benefits without accompanying tax levies at federal level leads inevitably to bond issues.

3. **Extension of coverage to all the people rather than the increase of minimum and maximum amounts should FIRST be provided,** as the commission feels that there are now too many groups outside the social security programs of this state and nation.

With these principles in mind, then, the Commission suggests further consideration by our public-minded lawmakers somewhat as follows:

1. **COVERAGE**—Uniform coverage for unemployment compensation and old age and survivors insurance.

2. **INCREASE IN MINIMUM BENEFITS**—With the cost of living index higher than ever, the commission suggests a minimum weekly benefit amount of \$7.00 should be established.

3. **INCREASE IN MAXIMUM BENEFITS**—The commission has suggested (in the 1945 Report) that the formula for establishing the maximum and minimum benefits be changed from one twenty-fifth of the highest quarterly earnings in the base period to one twentieth of such earnings with a maximum of \$20.00 per week for those who have never before drawn benefits, and a maximum of \$17.00 for those who have drawn in one or more previous years.

4. **DURATION OF BENEFITS**—The commission proposes in those cases of prolonged unemployment, to allow claimants to draw against earnings in the lag quarter immediately rather than wait until the expiration of the current benefit year before claiming such benefits.

5. **TEMPORARY DISABILITY OR CASH SICKNESS INSURANCE**—The commission suggests that the legislators consider

providing cash sickness benefits to those unemployed because of non-industrial illness or accidents, the plan to follow in general the provisions of the unemployment compensation act.

6. **REDUCTION OF EMPLOYER TAXES**—The commission has heretofore opposed experience rating or tax reduction. A majority of the commission is still opposed to experience rating for Montana. We recognize, however, that public opinion may force reconsideration. We urge that expansion and strengthening of the social security program in Montana should be considered jointly with and not apart from tax reduction.

Members of the commission will meet with members of the Advisory Council in the last weeks of the year in the hope of working out a more specific program for submission to our legislators upon their request. Members of the advisory council are: C. M. Wall, Helena, chairman; Mrs. Eva Stoutenburg, Missoula; James V. Bennett, Scobey; Robert D. Corette, Butte; John F. M. Travis, Havre; W. A. Boyle, Billings; and Bruce I. Steinmetz, Great Falls.

No Tax Increase Seen

Generally speaking, the commission finds that it would be able to finance the extension and expansion of the unemployment compensation program in Montana without increasing the tax on employers.

The unemployment compensation trust fund will, on January 1, 1947, reach approximately \$23,000,000. In the matter of temporary disability insurance, should such a program win approval, it is proposed to levy a one (1) per cent pay roll tax on **employees** from which funds the sickness insurance will be paid. (See detailed discussion of this matter in Part III.)

For the seven years benefits have been paid, if the increases proposed had been paid from the beginning of benefit payments, about \$2,175,000 additional would have been paid out. The present state of the trust fund at more than \$23,000,000 indicates that even had these totals been paid during the past seven years, the trust fund would still total more than \$20,500,000 on January 1, 1947.

For the benefit years from 1939 to 1945, the increase proposed in the weekly benefit amount would have amounted to about \$897,000, the increase in the minimum amount would have increased payments about \$167,000, and the proposed boost in the maximum benefit amount would have in-

creased the payout about \$1,117,000. The average annual increase for each would have been \$127,000, \$23,850, and \$159,550. The average annual total increase for all three would have been, if applied in the last seven years, about \$310,700.

These figures indicate that the future increase in payments, if all three proposed increases are placed in the law, and if the commission experiences no greater outlay than the peak year of the past and no less outlay than the lowest year in any of the future years, will average about \$310,000 per year. **Since there is no sure way of knowing just what the future holds, the commission can use only its past experience as a guide.** Even with a major depression, the commission feels that reserves are sufficient to meet obligations, but we point out unemployment compensation is, at best, only a temporary cushion to widespread unemployment. Indications are that the pay roll tax from which funds to pay benefits are obtained will approach \$4,000,000 for 1946 because of the high wages and increased employment in industry and commerce in Montana at this time.

Living Costs Have Increased

The main reason for the suggested increases in the benefit structure of the Montana law lies in the fact of higher wages and salaries and higher living costs. There can be little doubt in the minds of most people that this state and the United States are experiencing a cycle of high wages and salaries and will continue to do so in the next several years, with the resultant increase in the cost of living, both engendered by the war. Although the general idea of maintaining the benefit amounts at a subsistence level is still operating, and is the only basis for figuring the weekly benefit amount, the amounts now paid, \$5.00 minimum and \$15.00 maximum, are below the subsistence standard for the times. This rise in the subsistence level is caused by the very things that boomed wages and the cost of living.

If the unemployed worker is to carry through the difficult time of losing a job and finding another, with unemployment compensation as an addition to his savings, and as the idea of unemployment compensation originally set out, the weekly benefit amounts must be increased as indicated. There has been no change, of course, in the basic idea of unemployment compensation; the change has come in the higher level of average annual income and definitely higher living costs.

APPROPRIATIONS

We believe, if unemployment compensation is to remain a state institution, the State of Montana must share the costs of administration. If the Federal government continues to supply all costs, as at present, it seems inevitable that eventually the office will become, to all practical purposes, solely federal. We will, if given opportunity, present our case to the proper Committees.

Respectfully submitted,

BARCLAY CRAIGHEAD, Chairman.

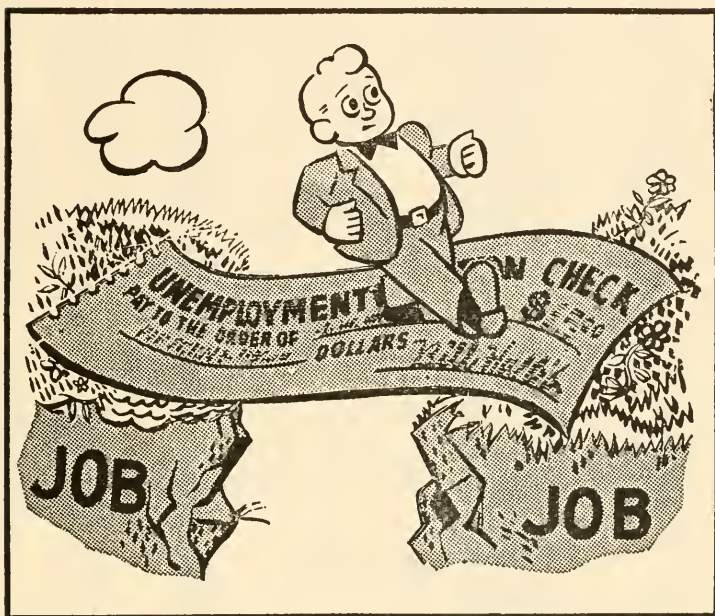
CARL ANDERSON, Commissioner.

I agree with all of the above, except that I think the \$20 maximum benefit should go to all qualified unemployed workers who have the required wage credits, instead of being restricted to those who have never drawn benefits. Further, in view of the higher costs of living which may prevail in the future, I believe that even higher benefits than those recommended in the above may become necessary.

LOUIS G. DeNAYER, Commissioner.

PART II.

Ten Years of Unemployment Compensation



Out of the depths of the depression more than ten years ago, there emerged in America far-reaching legislation from the Congress of the United States to alleviate some of the social ills of the nation then struggling in the throes of the most severe economic depression in its history.

The Social Security Act of 1935 provided for the several states to set up in conjunction with the Federal Unemployment Act programs of unemployment compensation for those workers who through no fault of their own lose employment although able to work and available for work.

In Montana, the state legislature passed in 1937 the Unemployment Compensation Act setting up a commission of three to administer the act. The other 47 states, two territories, and the District of Columbia also established unemployment compensation agencies.

The purpose of this section is to look into the administration of unemployment compensation over the ten year period since the establishment of the program beginning July 1, 1937, but reaching back to 1936.

It has always been the contention that the unemployment compensation program in Montana accomplishes only two things under the law:

1. It pays subsistence benefits to unemployed workers for a short period of time between the losing of one job and the finding of another.

2. These payments provide for industry and business in the state a cushion to the effects of unemployment by bolstering purchasing power, thus tending to aid in the removal of the very causes of unemployment, lack of buying power causing production to drop, which in turn causes layoffs of workers.

The Commission firmly believes that it has accomplished these two things. An integral phase of the second idea is that it also fosters employment not only through buoying up purchasing power, but by direct weekly contacts with the unemployed through the local offices of the Montana employment service where referrals to available jobs may be offered the unemployed.

Lowered Production Causes Unemployment

The fact of unemployment exists in our economy because of lowered production. If production could be planned to the extent of removing the insecurity of employment, there would be no need for unemployment compensation. But since guaranteed employment exists in but few industries over the country, and in few

TABLE NO. 2

Total Income from All Sources by Calendar Years

Year	Contributions	Interest on Fund	Repayments to State for Readjustment Allowance	Employer Penalties, Interest	Benefit Refunds
1936	\$ 539,593.54	\$ None	\$ x x x	\$	\$
1937	1,829,009.85	7,764.04	x x x		
1938	2,239,896.81	73,553.90	x x x	495.48	
1939	2,466,883.39	144,838.35	x x x	1,205.88	408.00
1940	*2,791,867.45	**119,497.02	x x x	423.45	2,495.82
1941	2,978,308.76	128,060.27	x x x	542.66	5,116.51
1942	3,393,332.40	156,988.68	x x x	2,092.95	3,982.60
1943	3,513,421.55	204,669.12	x x x	1,871.72	1,122.00
1944	3,498,313.22	259,517.01	3,940.00	396.40	425.00
1945	3,531,986.87	332,646.80	259,958.00	251.78	405.00
1946 (to July 1)	951,200.29	188,604.33	2,658,730.00	99.35	720.00
Totals	\$27,733,814.13	\$1,616,139.52	\$2,922,628.00	\$ 7,479.67	\$14,674.93
GRAND TOTAL INCOME FROM ALL SOURCES					\$32,294,736.25

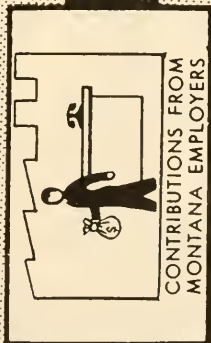
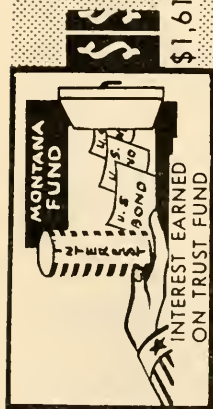
*\$1,186,104.06 transferred to Railroad Retirement Board.

**\$ 25,352.31 transferred to Railroad Retirement Board.

WHERE BENEFIT FUNDS FOR 10 YEARS CAME FROM

(DATA TO JULY 1, 1946)

EACH DOLLAR BILL REPRESENTS \$1,000,000



TOTAL OF ALL INCOME: \$32,294,736

*Does not include repayments for self-employed allowances which were paid by the U. S. Treasury. On Oct. 1, 1946, the Commission began payment of self-employed claims from state funds, being reimbursed by the Veterans Administration.

companies in Montana, there will always be with us, except during such extreme emergencies as the late war, a certain minimum of unemployment. This minimum will at times be boosted in Montana by the seasonal nature of much of the employment available. This seasonality factor must always be reckoned with in this state. Until it no longer exists, there will be a minimum level of unemployment fluctuating with the seasons.

The benefit payments history of the Commission, beginning on July 1, 1939 (Montana and Illinois were the last two states to begin benefit payments) shows that in Montana there is a small hard core of applicants, many of them women, all of them seasonal workers, most of them in the age group from 41 to 79. This core is relatively small. The number of those who have drawn benefits in each of the seven years in which benefits have been paid was on June 30, 1946, only 21.

Montana employers in commerce and industry, now numbering about 10,000 subject to the act, provide through the payroll tax of 2.7 per cent the funds necessary for payment of benefits to unemployed workers. Employers of eight or more the country over pay the administrative costs of unemployment compensation through payment of a .3 per cent of payrolls under the Federal Unemployment Act into the administrative fund from which the Social Security Administration through budget means distributes to the several states funds necessary for proper and efficient administration. All salaries and wages up to and including \$3,000 per year are subject to the tax, paid by the subject employer. The Federal Unemployment tax is actually 3 per cent of such payrolls for employers of eight or more, with the state 2.7 per cent tax being used as an offset on the 3 per cent paid

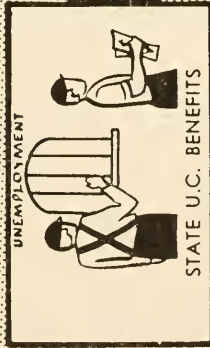
TABLE NO. 3

**Disbursements and Certification of Payments for 10 Years
by Calendar Years**

Year	CIVILIANS	VETERANS	
	State Unemployment Benefits	Unemployed Allowances	Self-Employed Allowances— Payments Certified to U. S.
1939*	\$ 764,880.00	\$ x x x	\$ x x x
1940	3,147,254.07	x x x	x x x
1941	2,550,570.53	x x x	x x x
1942	1,224,808.50	x x x	x x x
1943	108,497.00	x x x	x x x
1944**	96,833.00	4,926.00	906.00
1945	132,895.00	313,773.00	119,731.00
1946 (to July 1)	805,824.00	2,632,614.00	1,397,914.00
Totals	\$8,831,562.10	\$2,951,313.00	\$1,518,551.00
TOTAL FOR ALL BENEFIT PAYMENTS			\$13,301,426.10

*Unemployment Compensation Commission began benefit payments on July 1, 1939.

**Servicemen's Readjustment Act of 1944 became effective Sept. 4, 1944; under arrangement with the Veterans Administration, the Commission has administered Title V of the act since the effective date.



WHERE BENEFITS PAID IN 10 YEARS HAVE GONE

(DATA TO JULY 1, 1946)

EACH DOLLAR BILL REPRESENTS \$1,000,000

TOTAL PAID TO ALL MONTANA CITIZENS: \$13,301,426

*Not paid out of state funds. On Oct. 1, 1946, the Commission began writing self-employed allowance checks with reimbursement by the Veterans Administration in the same manner as the unemployed allowance payments.

to the Federal government, the difference of .3 per cent then going into the administrative fund. Employers of less than eight pay only the state's 2.7 per cent tax.

Thus, these same employers find that the very money they pay out in unemployment taxes comes back to them in the form of the purchase price of services and goods. Many of the subject employers in the state will find that the business done with them in the course of a year by unemployed patrons using state benefit funds will offset the amount of money paid out in taxes under the act. In other words, the employers very money which he paid out helps to keep him in business and sustain the minimum, at least, volume of business he needs to keep his shop open. Seven years out of the ten in which benefits have been paid, from 1939 to 1946, are marked by the payment through the Unemployment Compensation Commission of civilian and veterans benefits which have been major factors in the sustaining of business over the lean years and the hard times. (See charts).

Reconversion Enters the Picture

The 10-year period was topped by the reconversion of war-time tempo in industry and commerce to a peace-time pace. In Montana, reconversion was a relatively simple matter, since this state had few strictly war industries (two installations in Billings, and the stepped-up activities of the non-ferrous metal manufacturing industry in Butte, Anaconda and Great Falls). To all intents and purposes, reconversion in Montana was accomplished in fact by this writing, early fall. It is true that in the early months of the year, unemployment was on the increase, but this was caused by the sudden return to the state of almost all the men who had been in the armed forces at a time when the state usually experiences seasonal layoffs. However, by the middle of the summer, unemployment had been reduced at least two-thirds and approaching three-fourths as the various industries in the state made annual expansions for the time of the year.

During the reconversion period, unemployment compensation benefits to civilians and unemployment allowances to veterans have been a large help in the period by bolstering purchasing power, by aiding workers in adjusting to new jobs after employment in war industries or service in the armed forces.

Finally, the 10-year period has proved the rightness of the social program of unemployment compensation. Business and the worker have been aided just enough to maintain a near-normal economy during the lean years and seasons, and during the good years and seasons funds have been accumulated to take care of the seasons and years of bad times, as they will in the future.

Next comes the natural question—What of the future? From the national point of view, there is likelihood that the states will eventually handle the entire program of unemployment com-

pensation from the collection of the tax, the payment of benefits, and the handling of administration funds on the state level. As matters now stand, the Social Security Administration has some control over the states in the handling of budgetary matters for administration, and in reviews of procedures in the interest of proper and efficient administration of the program in each state.

Further, since the social security idea has more or less proved itself, refinement and extension of the program is almost inevitable, as should be true of any governmental activity, if it is to serve the people faithfully. To just what ends such refinement and extension will reach there is no knowing exactly except that there will be something done about it by the national congress and the various state legislatures in the next several years. In any event, this Commission feels that whatever is done must be done on the basis of a clear-cut financial pattern involving mainly ear-marked funds for the payment of specific and definite benefits, regardless of what the program is—old age pensions, public assistance, aid to various under-privileged groups, unemployment compensation, or sickness insurance.

Labor Disputes Mark Tenth Year

The history of labor disputes during the 10-year period reveals that for the first nine of the ten years there were a negligible number of disputes affecting a negligible number of workers. In the last year, however, following the national trend, Montana workers lost about \$10,000,000 in wages because of labor disputes.

Disputes existed in the lumber, mining, printing, manufacturing, transportation, and retail trade industries during the fiscal year 1945-46. By far the most costly to workers and employers was the six-month's lumber workers and operators dispute which affected all producers employing both union and non-union workers principally in the northwest, and west portions of the state.

This dispute called out of work about 2,000 woods and mill workers and as the dispute wore on, many other workers in other industries in the area were affected. It is estimated that this one dispute caused a loss of about \$5,000,000 in wages as well as affecting adversely many businesses in the communities where the strikes took place.

The next most important dispute was that of the miners' union in Butte and the Anaconda Copper Mining Company which also caused shutdowns in the smelters at Anaconda and Great Falls because of lack of ore. This dispute probably cost \$2,750,000 in wages to workers and resulted in a loss of business to Butte merchants.

Other smaller disputes cost in wages about \$1,250,000 in loss of wages. Printers in Missoula, Anaconda, Helena and Butte were on strike about one month; bus drivers for the Washington Motor Coach company struck for higher pay; the retail

clerks union of Great Falls were engrossed in a dispute with the retail stores association; and in Billings, the machinists of the Pointer-Willamette Company struck for higher pay.

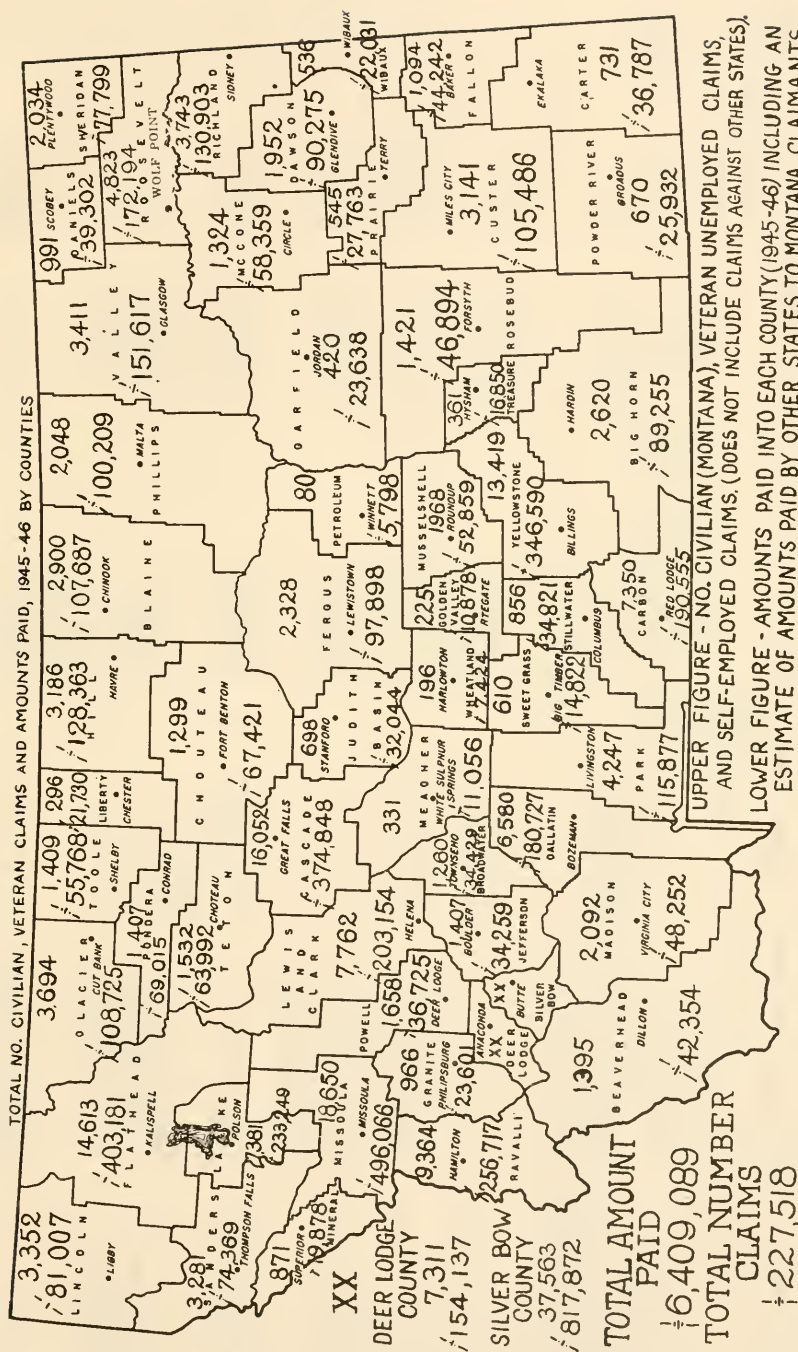
By law, the Commission is prohibited from paying benefits to unemployed workers of a class or grade of workers directly interested in or participating in a labor dispute involving their last employers or their employers immediately preceding a stoppage of work as a result of a labor dispute. This applies to both civilian and veteran workers. Under the Montana law, however, if an employer in the opinion of the Commission fails to obey state or national laws concerning negotiations in a labor dispute, the Commission may pay those workers involved unemployment benefits.

Future of Social Security

The future for the citizens of Montana is, we think, exceptionally propitious. This Commission is constantly surveying its administration of the unemployment compensation act for improvements that may be made in that administration, and searching its experience for needed changes in the law to remove inequities, obvious contradictions, and to keep the law abreast of the times. The legislative recommendations of Part I are an example of the present needs in the law based upon our experience and the times.

In conclusion, the long-range view of unemployment compensation for Montana indicates that the people of the state and its government must be ready now and in the future to always grasp the ever-present opportunity to handle its own problems, and to take immediate steps to implement such provisions with law to the end that Montana may be pointed out as a model state insofar as social legislation is concerned. If this does not transpire, then it is reasonably certain that such matters will receive national treatment, adding greatly to the already too-numerous bureaus in Washington which control the lives and actions of the people of this nation far beyond the limits of democratic principles of government.

A return of state control in those matters in which the states are directly interested, most able to handle efficiently, and which are distinctly local in nature, is the only conclusion possible if democratic processes are to survive.



UPPER FIGURE - NO. CIVILIAN (MONTANA), VETERAN UNEMPLOYED CLAIMS, AND SELF-EMPLOYED CLAIMS. (DOES NOT INCLUDE CLAIMS AGAINST OTHER STATES).
LOWER FIGURE - AMOUNTS PAID INTO EACH COUNTY (1945-46) INCLUDING AN ESTIMATE OF AMOUNTS PAID BY OTHER STATES TO MONTANA CLAIMANTS.

TABLE NO. 4 Significant Provisions of State Unemployment Compensation Laws, October, 1945, for 15 States

State and Type of Fund ¹	Size of Firms Covered (No. of employees and/or size of pay roll)	Eligibility ²	Initial Waiting Period Weeks	Weekly Benefit Rate, Total Unemployment	Maximum Payment Per Week	Minimum Payment Per Week	Weekly Benefit Rate, Partial Unemployment ³	Total Amount of Benefits (proportion of wages)	Maximum No. of weeks payable	Duration in 52-Week Period (lesser amount below applies)
ALABAMA: Pooled; experience rating; employee contributions determined by experience rating	8 or more in 20 weeks; effective Jan. 1, 1946; also all employers liable to Federal tax	30 times w.b.a., including \$75.01 in 1 quarter ³	1	1/26 of high quarter's wages, established by table in law	\$20	\$4	w.b.a. less wages in excess of \$2	1/3 in 4 quarters	20	
COLORADO: Pooled; experience rating	8 or more in 20 weeks	30 times w.b.a.	2	50% of full-time weekly wage or 1/25 of high quarter's wages	15	5	w.b.a. less wages in excess of \$3	1/3 in 4 quarters	16	
CONNECTICUT: Pooled; experience rating	4 or more in 13 weeks; also all employers liable to Federal tax	\$144 until Jan 1, 1946, \$240 after Jan. 1, 1946	1	Established by weighted table in law	22 ¹ 28 ^{1,5}	6 8-12 ⁶	w.b.a. less wages, plus \$2	20% in 4 quarters, according to schedule of wage classes ⁴	18 ⁴ 20 ⁴	
FLORIDA: Pooled; experience rating	8 or more in 20 weeks; also all employers liable to Federal tax; also employer with a \$5,000 quarterly pay roll	30 times w.b.a.	1	Established by weighted table in law	15	5	w.b.a. less wages in excess of \$2	1/4 in 4 quarters	16	
IDAHO: Pooled; experience rating	With \$78 or more wages payable in 1 quarter	Schedule requiring 28 to 52 times w.b.a. including \$78 earned in 1 quarter	2	Established by weighted table in law	18	5	w.b.a. less wages in excess of lesser of 1/2 w.b.a. or \$3	1/4 in 4 quarters	17	
IOWA: Pooled; experience rating	8 or more in 15 weeks; also all employers liable to Federal tax	18 times w.b.a.	2	1/23 of high quarter's wages	18	5	w.b.a. less wages in excess of \$3	1/3 in 4 quarters	18	
MARYLAND: Pooled; experience rating	1 or more at any time; also all employers liable to Federal tax	30 times w.b.a.	None	1/20 of high quarter's wages, established by table in law	*20	7	w.b.a. less wages in excess of \$2	1/4 in 4 quarters	26	
MONTANA: Pooled	1 or more in 20 weeks, or annual pay roll over \$500	30 times w.b.a.	2	1/25 of high quarter's wages	15	5	No provision ⁸	Uniform duration	16 ⁹	

TABLE NO. 4—(Continued)

NEVADA: Pooled; experience rating	\$225 or more wages payable in 1 quarter; also certain specified employment covered by Federal act	(see supple- mental entry)	1	1/20 of high quarter's wages; plus allowance of \$3 for first 2 dependents & \$6 for 3 or more	18 ¹ 24 ^{4 10}	8 ⁴ 14 ^{4 10}	w.b.a. less wages in ex- cess of \$3	1/3 in 4 quarters
NEW MEXICO: Pooled; experience rating	\$450 or more wages paid in 1 quarter or employer of 2 or more in 13 weeks	30 times w.b.a. including \$78 in 1 calendar quarter	1	dependents 1/26 of high quarter's wages, estab- lished by table in law	15	5	w.b.a. less wages in ex- cess of \$3	1/3 in 4 quarters
NEW YORK: Pooled with indi- vidual employer reserve experience rating	4 or more in 15 days	30 times w.b.a. ¹¹	1 ¹²	1/23 of high quarter's wages, estab- lished by table in law ¹¹	21 ¹¹	10 ¹¹	No pro- vision ¹¹	Uniform duration ¹¹
UTAH: Pooled	\$140 or more wages payable in one quarter	30 times w.b.a.	1	1/20 of high quarter's wages	17-25 ¹³	5-7 ¹³	w.b.a. less wages in ex- cess of \$3	Uniform duration ¹³
VERMONT: Pooled; experience rating	8 or more in 20 weeks; also all employers liable to federal tax	30 times w.b.a.	2	Established by weighted table in law	20	6	w.b.a. less wages in ex- cess of \$3	Uniform duration ¹³
WASHINGTON: Pooled	1 or more at any time; also all employers liable to federal tax	\$300	1	Based on schedule of annual wages	25	10	w.b.a. less wages in ex- cess of \$5	According to schedule of wage classes
WYOMING: Pooled; experience rating	1 or more in 20 weeks, and \$150 or more wages payable in 1 quarter; or \$500 in 1 year	25 times w.b.a. including \$70 in 1 quarter	2	1/20 of high quarter's wages	20	7	w.b.a. less wages in ex- cess of \$3	1/4 in 4 quarters

¹Annual wages in excess of \$3,000 per worker excluded from employer contributions in all 48 states, Alaska, District of Columbia and Hawaii.

²w.b.a.—Abbreviation for Weekly Benefit Amount.

³Individual must have worked less than 160 hours and earned less than \$120 during the 3 weeks preceding unemployment.

⁴Provision for reduction if solvency of fund is imperiled.

⁵\$22 maximum basic benefit plus \$2 per dependent up to 3.

⁶Primary benefit \$8, increased with dependents' benefits, not to exceed 50 percent of benefit amount (effective Jan. 1, 1946).

⁷No partial benefits paid, but earnings not exceeding \$7 or one day's wages are disregarded.

⁸Uniform duration.

⁹With maximum dependents' allowance.

¹⁰Benefits are paid for each accumulation of 4 "effective days."

¹¹in a week in which not more than \$24 is paid to the individual.

¹²Actually, an accumulation of 4 "effective days."

¹³w.b.a. adjusted with cost-of-living index; statutory maximum \$20 reduced 20 percent when index in 98.5 or below, increased 20 percent when index is at or above 125; maximum annual benefits not affected; therefore, if weekly benefit amount is decreased or increased, duration will range from 27.0 to 18.4 weeks.

¹⁴\$25 if Servicemen's Readjustment Act so amended.

Supplemental Entry, copied separately due to insufficient space:

Nevada, column 3: 25 times weekly benefit amount for \$8-12 weekly benefit amount; twice weekly benefit amount multiplied by itself for \$13-15 weekly benefit amount; 30 times weekly benefit amount for \$16-18 weekly benefit amount, including wages of 5 times weekly benefit amount in some quarters other than high quarter.

Source: Social Security Administration.

PART III.

Cash Sickness Insurance Proposal

DISABILITY INSURANCE PLAN IN BRIEF

The proposal of the Commission for a cash sickness or temporary disability insurance plan briefly provides:

1. Coverage of about 100,000 now uncovered workers.
2. A one per cent tax on all wages up to \$3,000 to be collected by employers now covered by the unemployment compensation law as a payroll deduction.
3. Benefits—Minimum of \$5 per week, maximum of \$15 per week, maximum duration of 16 weeks.
4. Waiting period—Two weeks of disability.
5. Benefit year—fifty-two weeks from date of initial claim.
6. Eligibility—Wages earned in first four of last five FULL calendar quarters preceding date of initial claim.
7. First compensable week—the THIRD full week of disability.
8. Exemption for holders of private or voluntary disability insurance of equal value.
9. All provisions are subject to the regulations now in effect for unemployment compensation, or changes in the unemployment compensation law.

In Part I of this report, reference is made to a proposal that the state of Montana might properly enact a cash sickness or temporary disability insurance law to provide for partial recovery of the loss of wages or employment through common sickness, non-industrial accidents, or other temporary disability affecting the health of Montana workers. It is proposed in this section to discuss in detail problems involved in connection with such a program.

Governor Sam C. Ford of Montana in his 1945 message to the legislature advocated state cash sickness insurance. Following are excerpts from his message:

"... I believe we can devise a simple, workable, and not too expensive plan to provide cash sickness insurance that will lighten the burden disability brings, and we should do so.

"... Unless Montana, in common with other states, assumes its responsibilities by improving its social security laws, more extreme and impractical measures are liable to be adopted at the behest of the federal bureaus and management transferred to Washington."

The Commission feels that the problem of disability insurance is local in nature, needing local handling for the best and cheapest results. Thus, the responsibility for enactment of legislation to alleviate local conditions affecting Montana workers lies with the state of Montana. The Commission believes that the simple plan discussed here could be administered without friction, providing for state insurance for temporary disability patterned after the existing system of unemployment compensation, but with the option of private or voluntary insurance with benefits equal to those of the state.

In Montana, a small start is deemed more to be desired than to try to accomplish too large a program. The greatest need is for some relief from wage losses attendant on ordinary illness or non-industrial accidents which cost the average workers even more than losses through unemployment. Countless times the Commission has been forced to deny benefits to persons thrown out of work temporarily by common illnesses, while their able-bodied brothers, unemployed for other reasons beyond their control, have been granted benefits. This simple fact has forcefully shown this Commission the need for a change in the Montana law.

For an individual or a family, disability is not a predictable risk. For a large group of individuals it is far more predictable than the unemployment risk. The actual number disabled from injury or disease on a day seldom, if ever, varies by more than 20 per cent from the average day. The predictability of disability by means of disability experience tables should apply with fairly consistent accuracy to a group the size of the 100,000 industrial and commercial workers in Montana. (See graph on Page 28.)

Present Disability Provisions

Let us now investigate briefly the status of disability insurance in the state at present. Notably, railroad workers have attained a long-sought goal recently by the action of Congress in establishing survivor, sickness, and maternity benefits through a system of contributions by the employer and the employee, giving the railway workers a fine plan, but which costs such workers 5¼ per cent of their wages and the railroads also 5¼ per cent on their payrolls, and also providing for retirement benefits. The railroads will continue to pay the 3 per cent unemployment tax as before.

Just recently the coal miners through the action of their union obtained a fund based on an assessment for each ton of coal mined, such fund to be used in various ways for the welfare of coal miners, including disability provisions. This plan affects the coal miners in this state, a relatively small group of about 1,000 workers.

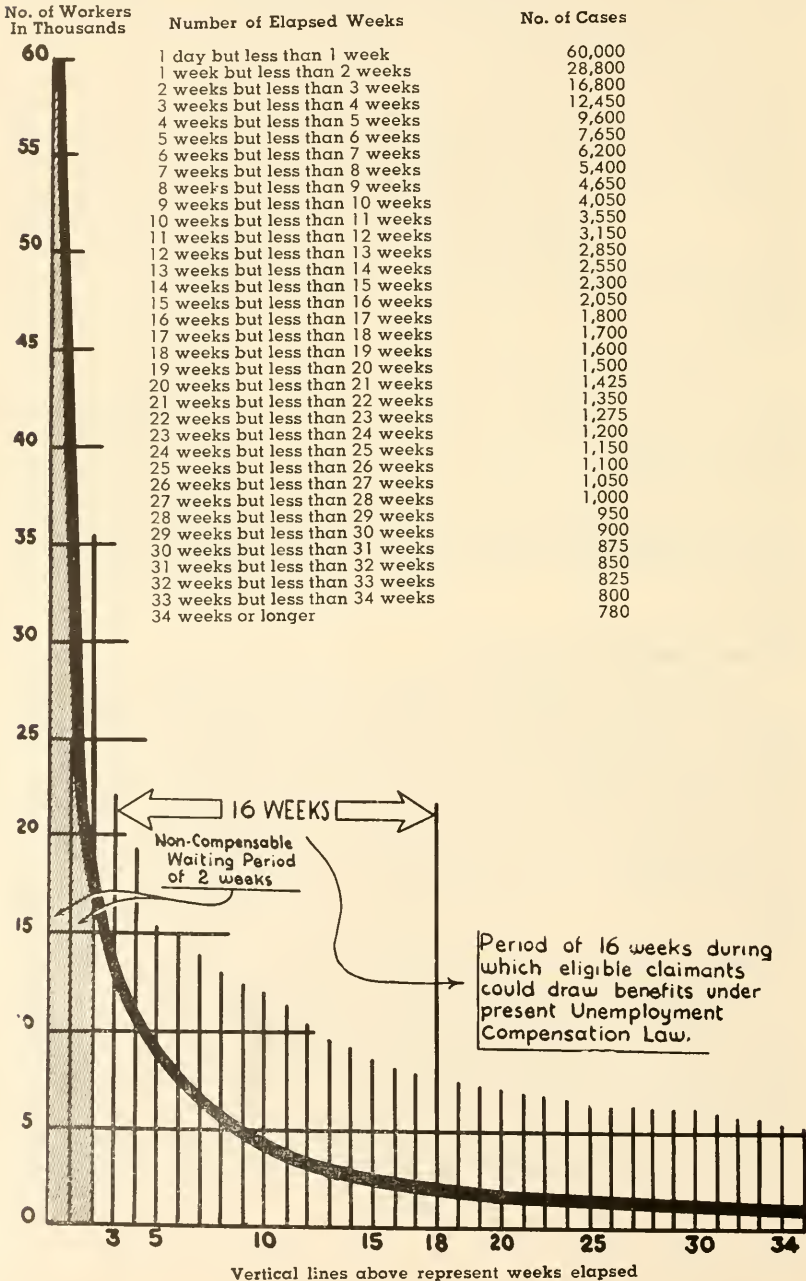
Another small segment of Montana workers is covered by private or voluntary plans of sickness or disability insurance.

TABLE NO. 5

Number of Workers Disabled and Duration of Disability by Weeks per 100,000 Workers

Graph based on statistics for the nation by the Social Security Administration. Shows number of workers whose disability extends more than one day and by weeks up to 34.

Experience table for the nation indicates that of every 100,000 workers 60,000 or 60 percent are disabled for a day of more each year through illness or injury.



The bulk of the workers of the state is without any such disability protection.

Provision is made in the Commission's plan for exemption of those workers having voluntary disability or sickness insurance subject to the provision that such insurance be equal to or greater than the state's plan in the matter of benefits. In Montana, the Industrial Accident Board's law makes exemptions for voluntary industrial accident insurance. The two states with sickness insurance programs, Rhode Island and California, also provide for private insurance exemption.

Here Is How It Works

Wages in covered employment in Montana at present are more than \$140,000,000 annually. With a settled annual payroll of \$100,000,000, the proposed program would provide an annual income of \$1,000,000. Benefits anticipated, as figured from disability expectancy tables, would be about \$860,000 per year. This would leave a balance larger than necessary for administrative purposes. If the above estimates prove fairly accurate, a balance should accrue each year to furnish desirable reserves for contingencies or later elaboration of the program if desired.

The disability program as proposed, the Commission believes, could be administered efficiently and cheaply in conjunction with the unemployment compensation program. The program admittedly does not offer all the protection desired by a disabled person, but it does offer subsistence at a time when the mere matter of subsistence often is a serious problem. It offers the definite advantage of simplicity of operation and economy of administration under state management.

Parallels UC Provisions

The disability insurance program, proposed by the Commission, would have the following provisions identical with the state unemployment compensation law:

Coverage—Employees in all industries covered by the Montana Unemployment Compensation Law.

Benefits—Weekly cash payments based on previous earnings in covered industry in identical amounts and for identical periods specified in the unemployment compensation law. (Present law—\$5 minimum, \$15 maximum, 16 weeks duration).

Base Period—The first four out of the last five **FULL** calendar quarters before filing a valid claim or such other base period as future amendments to the Montana Unemployment Compensation Law may provide.

Benefit Year—Fifty-two weeks following the filing of a valid initial claim.

Waiting Period—Two weeks immediately preceding the first compensable week, with such exceptions as are provided in the present unemployment compensation law or which may be specified by amendments.

Laws, regulations, and procedures involving the above terms would apply appropriately toward disability insurance as they now do toward unemployment compensation.

Differences from UC Law

The disability insurance program proposed would differ from the unemployment compensation law in two important respects:

Contributions—Contributions, to provide the funds for benefits and to provide for the necessary expenses of administration, would be collected by employers in industries covered by the Montana Unemployment Compensation Law. These contributions would be in the form of a 1 per cent tax deducted from wages up to \$3,000 annually paid to each worker. Thus **employees** would pay the tax, which would be collected and forwarded to this Commission by employers. The maximum tax any employee would pay would be \$30 per year.

Contributions amounting to 2.7 per cent of payrolls for unemployment compensation are paid entirely by employers and administrative expenses are furnished almost entirely by the federal government. The Commission feels that the federal government should also support the disability program proposed, but the Social Security Administration of the federal government has refused to approve the proposal and insists that the state shall pay for those costs involved in administration of a disability insurance law.

Eligibility—In order to be eligible for benefits under disability insurance, the Commission would be required to find a claimant qualified for benefits through wages previously received in covered employment and unable to work because of disability. Under the unemployment compensation law, a claimant must be able to work in order to qualify for benefits. Under the proposed disability insurance plan, claimants, though disabled, would not be eligible for benefits if they are being or have been compensated for such disability through state or federal industrial accident insurance, or similar state or federal legislation, or who are committed to state institutions.

Estimate of Benefits Payable

The following table represents the probable payments which would be payable to the numbers of covered workers per 100,000, who would be disabled and unable to work for periods as specified. The number of workers disabled each week is taken from national experience tables. The weekly benefit amount is taken as \$12.34, which was the average weekly benefit amount paid to unemployment compensation beneficiaries in Montana during the calendar year of 1944.

For sake of comparison, estimates are figured from the end of the second week of disability (at which time a claimant would be eligible for benefits if a waiting period of only one week were required). For the same reason estimates are figured to include 34 weeks of illness. Thus, estimates are available for various compensable periods. From the table below it is estimated that

with a duration of 16 weeks and only a one week waiting period, benefits would amount to \$1,070,495 in one year. With a duration of 32 weeks and a two week waiting period, benefits would total \$1,093,077 annually. **With 16 weeks duration and a two week waiting period, as provided for unemployment compensation under the present Montana law, benefits are estimated at \$882,927.**

On the basis of 16 weeks duration and a waiting period of two weeks, it is estimated that the proposed 1 per cent payroll tax would provide sufficient funds both to meet benefit payments and administrative expenses.

Weeks of Disability	Estimated Number of Beneficiaries	Estimated Amounts of Benefits Payable
2 weeks but less than 3 weeks	16,800	\$207,312
3 weeks but less than 4 weeks	12,450	153,633
4 weeks but less than 5 weeks	9,600	118,464
5 weeks but less than 6 weeks	7,650	94,401
6 weeks but less than 7 weeks	6,200	76,508
7 weeks but less than 8 weeks	5,400	66,636
8 weeks but less than 9 weeks	4,650	57,381
9 weeks but less than 10 weeks	4,050	49,977
10 weeks but less than 11 weeks	3,550	43,807
11 weeks but less than 12 weeks	3,150	38,871
12 weeks but less than 13 weeks	2,850	35,169
13 weeks but less than 14 weeks	2,550	31,467
14 weeks but less than 15 weeks	2,300	28,382
15 weeks but less than 16 weeks	2,050	25,297
16 weeks but less than 17 weeks	1,800	22,212
17 weeks but less than 18 weeks	1,700	20,978
18 weeks but less than 19 weeks	1,600	19,744
19 weeks but less than 20 weeks	1,500	18,510
20 weeks but less than 21 weeks	1,425	17,584
21 weeks but less than 22 weeks	1,350	16,659
22 weeks but less than 23 weeks	1,275	15,733
23 weeks but less than 24 weeks	1,200	14,808
24 weeks but less than 25 weeks	1,150	14,191
25 weeks but less than 26 weeks	1,100	13,574
26 weeks but less than 27 weeks	1,050	12,957
27 weeks but less than 28 weeks	1,000	12,340
28 weeks but less than 29 weeks	950	11,723
29 weeks but less than 30 weeks	900	11,106
30 weeks but less than 31 weeks	875	10,797
31 weeks but less than 32 weeks	850	10,489
32 weeks but less than 33 weeks	825	10,180
33 weeks but less than 34 weeks	800	9,872
34 weeks or longer	780	9,625

The estimates are higher proportionately than Rhode Island, one of the states having a somewhat similar law to the one proposed, for the year 1943, although Rhode Island does not bar industrial accident cases or out of state claimants from drawing benefits. Rhode Island has a one-week waiting period.

Plan Applied to Worker

Under the present provisions of the Montana Unemployment Compensation Law, the proposed disability insurance programs would operate about as explained below. In the event the Unemployment Compensation Law is amended, the procedures and amounts involved would be affected accordingly.

A disabled claimant, who fulfills all of the eligibility requirements for unemployment compensation, except those concerning his ability to and availability for work, would be eligible for disability benefits identical to those for which he would have been eligible under the Unemployment Compensation Law, if he had been available for and able to work. He would be required to serve two waiting period weeks without compensation (unless special provisions of Section 4 (3) of the Unemployment Compensation Law apply). During all of these two weeks he must have been disabled. If he is disabled through the third week, he would be entitled to his first benefit payment, which would be at least \$5 but not more than \$15. Each week thereafter up to 16 weeks, during which week he is disabled and files for benefits, he would receive the weekly benefit amount, which has been determined on the basis of the wages he has received in covered employment during his base period.

He will not be eligible for benefits for any week in which he does not qualify and if he is disabled and otherwise qualified for more than 18 weeks (two waiting weeks and 16 compensable weeks), he would receive a maximum of 16 weekly benefit checks and thereafter, until the end of his benefit year (52 weeks from the date of filing his initial claim), he would be ineligible for further disability benefits. If he recovers from his disability before he has drawn the maximum of 16 benefit checks in his benefit year, he would be eligible to exhaust his disability benefits on that series of claims. This is the same procedure followed in the payment of unemployment compensation.

It is proposed that a claimant, who establishes his eligibility in each case, may draw both disability insurance and unemployment compensation in the same year, but he could not receive disability benefits for any week in which he is eligible for unemployment compensation and vice versa.

What This Means to Employer

Montana employers will find that this plan will save them considerable money by the removal of part of the burden of carrying employees who become ill, of the cost of substitution, and the cost of turnover in employment.

It will cost the employer nothing more than a simple computation on his quarterly contribution report for unemployment compensation, and another column in the ledger to take care of the payroll deduction he would be required by law to make. The cost would be negligible, again, because of the existing machinery in business to take care of other deductions necessary by law.

Utilizes Insurance Principle

The principle of distribution of loss characteristic of insurance in general applies in the case of disability insurance, with the load of claims being borne by all Montana workers contributing to the fund from which benefits would be paid. Should a worker have no illness at all in a year, he has had the protection of insurance for no more than \$30 for the whole year, which is in itself small compared to the possible outlay over the same year should he have become incapacitated for work through illness or non-industrial accident.

Montana is not alone in advocating temporary disability insurance. The issue has been debated in many state legislatures as follows: In 1939, California, Washington, and New York; in 1940, New York, Pennsylvania, Rhode Island, and South Carolina; in 1941, California, Massachusetts, New York, and Rhode Island; in 1942, New York and Rhode Island; 1943, Washington, New York, New Hampshire, Massachusetts, Maine, Illinois, Connecticut, and California; in 1944, New Hampshire, New Jersey, and New York. In addition, the state of North Carolina has advocated such a movement, as well as Montana before the 1945 and 1943 legislatures.

LOOKING AHEAD AT UNEMPLOYMENT INSURANCE ADMINISTRATION

(Sickness Insurance)

By

R. G. WAGENET

Director, Bureau of Employment Security
Interstate Conference, San Francisco, October 16, 1946

" * * * * * We must be aware of the evidence that our system and the whole field of social insurance protection is yet growing in scope. One evidence is the recent opening of the field of maritime employment to unemployment insurance coverage. Coverage of significant groups—workers for non-profit organizations, employees of State and local governments, domestic and agricultural workers, and employees of small firms—lies ahead. Another evidence is the activity in the field of cash sickness insurance in association with unemployment insurance: the pioneering of Rhode Island and California and recent Congressional action to permit States, without jeopardizing tax-offset credit for their employers or grants under title III (Social Security Act), to withdraw employee contributions from the trust fund to pay cash sickness benefits, and the Congressional action to add cash sickness insurance protection to the unemployment insurance protection enjoyed by railroad workers. I am convinced that we stand on the threshold of major developments in this field. The Bureau is now working with the Bureau of Research and Statistics in studying experience and problems in this area. We want to be in a position to aid States that ask for help in this field and we want also to coordinate the experience of States that have already entered the field so that other States may benefit thereby. * * * * *

MONTANA WAR AND POSTWAR JOB TRENDS

TOTAL LABOR FORCE AND POPULATION

(DATA IN THOUSANDS OF PERSONS)



CIVILIAN EMPLOYED



UNEMPLOYED



ARMED FORCES**

(SELECTIVE
SERVICE
REGULATIONS)

1933

T.L.F.—218.0

P.—544.0



158.0



60.0

1939

T.L.F.—223.0

P.—557.0



178.0



45.0

1940

T.L.F.—225.0

P.—559.0



186.0



39.0

1.8

1941

T.L.F.—208.0

P.—546.0



173.0



35.0



11.0

1944

T.L.F.—184.0

P.—460.0



181.0



3.0



40.3

1945

T.L.F.—181.0

P.—452.0



178.0



3.0



31.0

1946

T.L.F.—219.0

P.—548.0



209.0



10.0



15.0

T.L.F.—TOTAL LABOR FORCE
P.—POPULATION

*ON JULY 1 1946

**IN ARMED FORCES AT END OF YEAR

PART IV.

Employment In Montana

Montana appears to be on the threshold of its greatest period of employment and expansion. There seems little doubt that this state is entering on an era of expansion of commerce and industry, agriculture and livestock growing, and general improvement economically like none other it has ever experienced. The only factor that would upset this applecart would be a severe and continued drought, or nationwide collapse.

Since we have just ended the first year of reconversion, and since the economy of the nation is for the moment unpredictable, just how can this thing be true for Montana?

The greatest single factor lies in a miracle that has happened within the last year, a miracle in which Montana employers absorbed in some manner between 60,000 and 70,000 workers from the ranks of the discharged veterans and returning civilian workers. That Montana has done this thing there is no doubt.

Let us look back to the ending of the first World War. In 1918, 1919, and 1920 the state experienced a severe drought that affected every form of business and every citizen. Discharge of soldiers and sailors from the armed forces into the state at that time brought many men a problem—shall I return to Montana? About 25 per cent answered the question affirmatively, the other 75 per cent seeking employment elsewhere. At no time did more than 50 per cent eventually return to the state.

What then did this mean to Montana? Simply the loss of thousands of potential families crippling the population for years to come, and lowering the economic potential of the state in proportion. The U. S. Census reports for 1920 and 1930, show little increase in population. It wasn't until the census of 1940 that any gains were recorded that amounted to anything. Montana in 1940 and 1941, after a minor unemployment situation smoothed out, was poised for expansion when the second World War intervened. For four years the state buckled to its job of helping the war effort, then came reconversion.

In the fall of 1945 and winter of 1946, thousands of veterans and workers turned toward Montana, turned toward home. Would the state be able to take care of them and provide means of settling again in peace in Montana? The answer was jobs, jobs for nearly all of these people, so they stayed to work and live in this state.

The miracle, as yet not completely explained, was that Montana had the jobs, had the potential to make it possible for these people to come back and for others to come to Montana from other states.

True, many drew unemployment compensation during the first part of this homing move, many veterans drew unemployed allowances. But all of these people returned to Montana at a time when the usual seasonal layoffs were in full swing, when business usually falls off for a period climaxing in March. Yet these people gradually got jobs, got some kind of living quarters, got Montana in their blood again. Bumper crops, highest payrolls in the history of the state, more opportunities than ever before for employment. All this despite the fact that last year the state

TABLE NO. 6

**Average Monthly Employment of Workers Covered by State
Unemployment Compensation Laws,¹ 1940-44,
for Seven States**

(In Thousands, Data Corrected to July 21, 1945)

	Statutory Size-of-Firm Inclusion (No. of Workers) ²	1940	1941	1942	1943	1944 ³
Total, 51 States	-----	23,096.2	26,814.3	29,350.4	30,822.6	29,838.9
Florida	8 or more ⁴	252.2	292.5	320.7	358.3	335.1
Idaho	1 or more ⁵	63.4	69.6	77.9	68.5	67.9
Montana	1 or more ⁶	73.8	77.2	78.5	74.1	72.1
Utah	1 or more ⁷	80.3	90.9	116.2	122.5	99.1
Vermont	8 or more	48.4	55.1	58.0	58.0	56.7
Washington	1 or more ⁸	294.3	391.4	508.8	555.4	569.7
Wyoming	1 or more ⁹	35.0	38.1	38.4	39.2	39.7
MONTANA—1945	-----				71,000	
1946	-----				73,000	

¹Average number of workers in covered employment in last pay period of each type (weekly, semimonthly, etc.) ending within the month. Excluded railroads and other groups subject to Railroad Unemployment Insurance Act, as of July 1, 1939.

²Number of employees for period specified by law, which makes employer automatically subject to State law; applicable as of Dec. 31, 1944.

³Data are estimates based on employment trends of identical-firm samples.

⁴Or total wages of \$5,000 or more in a calendar quarter of the current or preceding calendar year, effective July 1, 1943.

⁵And total wages of \$78 or more in calendar quarter.

⁶For 1940, and total annual wages of \$500 or more; effective Jan. 1, 1941, or total annual wages of \$500 or more.

⁷And total wages of \$140 or more in calendar quarter.

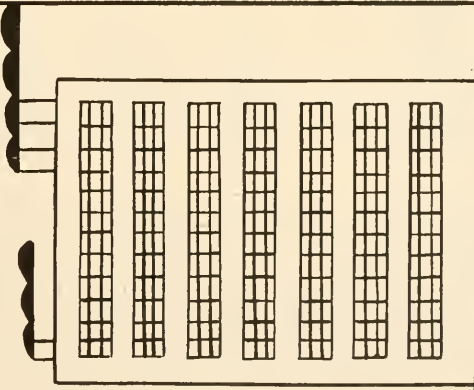
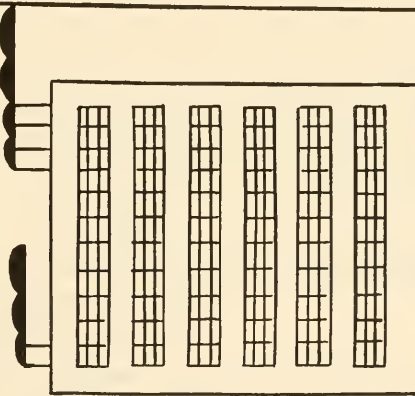
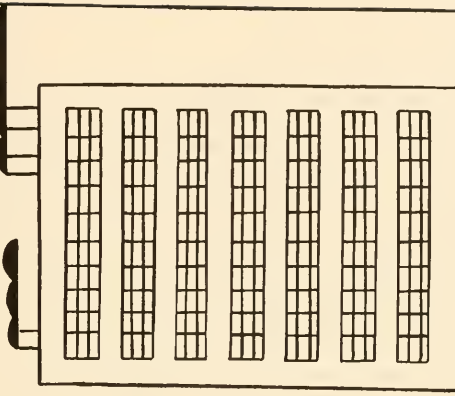
⁸Coverage changed from 8 or more workers in 20 weeks to 1 or more at any time, effective July 1, 1941.

⁹And total wages of \$150 or more in calendar quarter.

Source: Social Security Administration.

experienced more labor disputes than in the whole nine previous years, despite the fact that materials and commodities were scarce, housing in many areas practically nonexistent.

Some how, some way, Montana came through and handled this challenge well. The miracle is partially explained in that many older persons who had re-entered the labor market retired with the end of the war, many women who had entered the labor market for the first time, retired to housekeeping, many veterans resumed their interrupted schooling, and many new businesses have been established in Montana since the ending of the war. But that doesn't account for all of them. A guess would be that

HOW WAR AFFECTED MONTANA BUSINESS			
HIGHEST NUMBER COVERED EMPLOYERS 1941 - 10,145	AVERAGE NUMBER COVERED EMPLOYERS 1942, 1943, 1944, 1945 8,832	NUMBER COVERED EMPLOYERS - 1946 TO SEPT. 30 - 10,281	
			
PRE-WAR	MID-WAR	POST-WAR	

Montanans simply face whatever job there is to do and do it, some how, some way.

Was It the 'Western Spirit'?

This spirit of acceptance of facts, of rolling up the sleeves so to speak, of laughing at problems is the western spirit, the western attitude. This may be the answer to the miracle.

The chart on page 34 shows that Montana had by September 1, 1946 regained population lost since 1940, that unemployment is relatively low, that the labor force is almost as high as it was in the peak years. Payrolls are higher than they ever have been, but cost of living is also higher.

The chart on page 37 reveals that in the period of the war the number of employers dropped considerably, but that by September 30, 1946, more than 10,280 employers were reporting to the Commission. Add to this the unknown number of one-man or family businesses, and those not covered by the unemployment compensation act, and the number of business and industrial firms will probably approach 15,000.

The following table is a breakdown of business firms covered by the unemployment act during the fiscal year 1945-46 showing the number of firms in each group based on number of employees.

TABLE NO. 7
Classification of Covered Employers by Average Number
of Workers by Quarters
Fiscal Year 1945-46

Average No. of Workers	Third Quarter 1945	Fourth Quarter 1945	First Quarter 1946	Second Quarter 1946	Quarterly Av. for the Fiscal Year
1000 & Over	3	4	3	3	3
500 to 999	6	8	8	8	7
100 to 499	92	119	117	92	105
20 to 99	770	807	739	880	799
10 to 19	1,045	1,066	1,092	1,182	1,096
6 to 9	1,286	1,291	1,312	1,449	1,335
5 or Less	5,574	5,640	5,869	5,619	5,676
Total	8,776	8,935	9,140	9,233	9,020

The conclusion is obvious that Montana is a state of small business firms, since only 115 firms out of 9,020 employ 100 or more workers. Seven hundred ninety-nine employ from 20 to 99 workers, and 8,107 employ from one to 19 workers. Of the latter group, 5,676 employ five or fewer than five. This group of 9,020 average number of firms (by quarters), is for those firms reporting during the year. Since the end of the fiscal year, more than 10,000 firms have been in the active account class in the Commis-

sion, and most of the increase has been among the five or fewer group.

This means that nearly 90 per cent of all business firms in the state, as covered by the Commission, employ less than 20 workers, while only 10 per cent employ 20 or more workers. This figure does not include the railroads and other firms not covered by the act, but gives a good indication of the nature of business in the state.

Furthermore, as reported by the employment service, on September 1 the service had 3,448 orders for workers on file. These were divided as follows: 81, professional and managerial; 327, clerical and sales; 269, service; 3, forestry; 1,868, skilled workers; 134, semi-skilled, and 770, unskilled. Employment opportunities in the early fall existed for a great many workers, most of them in the skilled class. It has been the lack of skilled workers that has held Montana back in some industries, but with the war few persons were trained in the skilled lines, hence the lack at the present time.

The jobs at any one time on file with the employment service vary from day to day, of course, but the above gives some idea of what the actual employment situation was on September 1. Job offers vary with the seasons, from month to month, from week to week, and from day to day. The service keeps an active file of job offers, of course, and these jobs are available to anyone qualified through the local offices of the employment service, each office being kept notified of all jobs existing in the state.

Reconversion Problem Different

Employment then is not lacking or was not lacking during the reconversion period. Montana, it must be said, had a different reconversion problem from other states simply because this state had few if any war contracts. Hence, when the changeover from war to peace-time economy began Montana had no real dislocation of labor, or no sudden increase of unemployed workers from industry and business itself. Its unemployed came from Montana workers who had returned to the state from other states where war plants closed almost with the signing of the Japanese surrender, and from the discharged veterans who suddenly were home.

A problem did develop in trying to get persons located in peace-time jobs who had learned a war skill. In Montana, there are no aircraft factories, no shipyards, no munitions plants, no huge industrial installations converted to war manufacturing. Hence, skills learned by Montana people in other states having such plants were not of use in Montana business and industry, except in a few cases. Most of these persons drew unemployment benefits from those states in which they worked, although Montana had the task of finding jobs for them. Many of these people were women, who were ready now to return to housekeeping,

and did so. They were out of the labor market insofar as Montana was concerned.

Another problem, was to find the proper job for each worker. This was not always possible, but in time most of the available labor supply was placed to the satisfaction of most workers and employers.

Thus it was that the miracle came about, but not yet clearly understood by anyone. The fact remains that as of September 30, only about 2,500 persons were drawing unemployment benefits or allowances, who, although able to work and available for work, were unable to find jobs by reason of limitations on their skills, lack of housing, and partial disability, mainly among veterans.

What Is the Future for Montana?

Employment attracts people to any area. Employment then is the answer to what makes a state grow. The Commission feels that Montana has a potential population within the next several years of 640,000 people, based upon the employment potential. Employment depends upon expansion of industry through exploitation of natural resources, presence of transportation facilities, power output, and in Montana, the weather and yield of crops and livestock.

First, there is ample proof in the past to show that if Montana experiences a drought, or the rainfall is less than normal or average, the economy of the state is affected directly in proportion to the severity of the lack of rainfall. This was true in 1919 when the veterans of the first World War returned, to find that Montana's economy had suffered greatly from a severe drought, hence employment opportunities were greatly decreased, so these veterans sought jobs elsewhere.

With good crops insured by good weather, with adequate natural resources and farm products, all of which Montana has, the other factors need only be adequate. Montana's transportation facilities are such that all vital production areas are reached by railroads. Three transcontinental railroads span the state from east to west with many feeder lines; at least one railroad spans the state from north to south, and another enters the state from the south, penetrating as far as Billings. Bus, truck, airplane, and local transportation facilities are more than adequate, and in themselves should expand.

How Business Has Grown

Now let us look at what has already happened in the way of expansion. At one time the Commission had slightly more than 10,000 active accounts, although this figure includes delinquents which eventually closed shop. On September 30, 1946, the number of active accounts, those firms of one-or-more employees, covered by the unemployment compensation act, was

10,281, with the expectancy of the number being by January 1, 1947, close to 11,000.

TABLE NO. 8
Status of Employer Accounts from January 1, 1945,
to September 1, 1946

Date	*Changes In Ownership	New Accounts	Revivals	Accounts Terminated	Total Active Accounts
Jan. 1, 1945 .....	.....	.....	.....	.....	8,403
April 1, 1945	226	229	149	395	8,386
July 1, 1945	254	175	110	154	8,517
Oct. 1, 1945	261	200	133	128	8,722
Jan. 1, 1946	306	258	109	134	8,955
April 1, 1946	382	201	100	144.	9,142
July 1, 1946	463	506	239	179	9,708
Sept. 1, 1946	289	414	116	117	10,121
Totals—					
Sept. 1, 1946.....	2,181	1,983	986	1,251	10,121
					Quarterly Average
Totals for					
Fiscal 1945-1946....	1,412	1,165	611	585	9,132
					Net Gain
Jan. 1, 1945 to Sept. 1, 1946					1,718
July 1, 1945 to July 1, 1946					1,191
July 1, 1946 to Sept. 1, 1946 (two months)					413

*Note: Changes in ownership do not affect the total active accounts, but merely reflect the number of firms which have changed hands between January 1, 1945 and Sept. 1, 1946, including those which changed hands more than once in the period.

From Table No. 8 immediately above, it can be seen that the net gain of business firms in Montana from January 1, 1945, to Sept. 1, 1946 was 1,718. A total of 1,983 new businesses were established in the period, 986 revivals of old accounts noted, and only 1,251 accounts terminated.

To explain these figures more completely, the net gain is the total of new and revived accounts less those terminated. The new accounts are those new businesses which employ one or more workers, old businesses which through expansion take on at least one worker, and the revived accounts may be those which through expansion begin to employ again, or are businesses which lapsed during the war only now to be revived and to have some employment.

Part of the answer to the miracle of employment that occurred in Montana lies right in this array of figures. Further perusal of the table shows that as many as 413 firms in two months have begun employment, or rather is the net figure for the two months.

With nearly 11,000 employers by January 1, there can be little doubt that Montana is in her greatest era so far. On Sept. 30 the number of new businesses, or rather the net gain of 1,878 firms, put the state at a new high of 10,281 active accounts. These figures are pretty good indexes to employment because the Montana act covers about 100,000 or more workers during the course of a year's employment. Only some unforeseen calamity or a universal or national depression can keep Montana from reaching its greatest heights economically with the largest number of employed persons in its history.

Montana stands on the threshold of a new era, in fact, it is over the threshold and into the first stages of expansion. Montana as a vacation land, as a producer of raw materials, as a manufacturing state, as a great agriculture and livestock growing state, as a great state in which to live can move on and up, finally reaching its peak limited only by the resources of the state and by the will of its people.

Monthly Employment Estimates

In cooperation with the United States Bureau of Labor Statistics, the Commission began to issue in January, 1946, monthly employment estimates based on samples of 20 per cent or more. In September, the Commission published for the first time in the series, a complete non-agricultural employment estimate for the state, which for August totaled more than 120,000 workers.

The full employment estimate except agriculture was based primarily on the estimates of the Bureau of Labor Statistics, plus Commission estimates on government, non-profit organization, domestic service, and other smaller types of employment not yet covered by the bureau.

It is the hope of the Commission to be able eventually to publish monthly estimates of total employment, including agriculture. At present the facilities of the Commission and informational sources justify the undertaking. In addition, the Commission from time to time, will make population estimates, similar to the one released in July of 1946.

From the beginning of the estimates, one full-time statistician employed by the Bureau of Labor Statistics, has been in charge of the work under the supervision of the Commission's chief of research and statistics, and the chairman of the Commission. The Commission has supplied one clerk to work with the bureau statistician who works up the bureau's figures in cooperation with a Commission analyst who supplies the Commission's figures. In this manner, it has been possible to make estimates for all non-agricultural employment.

The Commission and the Bureau of Labor Statistics wishes to express to the cooperating employers of the state their appreciation for the fine help that these firms have given in supplying

monthly figures on employment on which the bureau's estimates are based.

TABLE NO. 9

Changes in Number of Workers Covered by State Unemployment Compensation Laws—1939 to October, 1944¹

State	Total Employment Sept., 1939	High Month of Employment Jan., 1942 to Dec., 1944 ² Month & Year	Number of Workers	Percentage Change to High Month of Employment from Sept., 1939	Total Employment, Oct., 1944 ³	Percentage Change to Oct., 1944 from Sept., 1939
51 state total	22,369,593	June, 1943	31,279,036 ¹	+39.8	29,620,700	+32.4
Florida	214,487	March, 1943	364,926	+70.1	327,600	+52.7
Idaho	67,471	Sept., 1942	93,388	+38.4	71,600	+6.1
Montana	73,953	Sept., 1942	83,746	+13.2	74,500	+.7
Utah	84,482	Nov., 1942	139,686	+65.3	99,000	+17.2
Vermont	47,365	July, 1942	59,230	+25.1	55,800	+17.8
Washington	292,043	July, 1944	585,840	+100.6	581,300	+90.0
Wyoming	39,475	July, 1942	46,094	+16.8	42,000	+6.4

Montana Total Employment October, 1945—74,434
No change from October, 1944.

¹Represents workers in covered employment in last day period of each type (weekly, semimonthly, etc.) ending within the month.

²Data for 1942 and 1943 are actual data reported on Form ES-203. Data for 1944 are estimated.

³Represents highest month in covered employment on 51-state basis during fourth quarter 1944.

⁴Represents highest month in covered employment on 51-state basis, 1942-44.

Source: Social Security Administration.

TABLE NO. 10

Average Annual Wage of Workers Covered by State Unemployment Compensation Laws,¹ by State, 1939, 1943 and 1944, for Seven States

State	1939	1943	1944	1945	1946 to June 30
United States—Total	\$1,360	\$2,145	\$2,300	\$	\$
Florida	959	1,702	1,877	.....	.....
Idaho	1,123	1,780	1,823	.....	.....
Montana	1,322	1,840	1,923	1,979	2,013 ²
Utah	1,244	2,079	2,034	.....	.....
Washington	1,402	2,355	2,567	.....	.....
Wyoming	1,218	1,854	2,002 ²	.....	.....
Vermont	1,159	1,811	1,924	.....	.....

¹Represents average annual wage based on the average number of workers in covered employment in last pay period of each type (weekly, semimonthly, etc.) ending within the month, and the total wages earned in covered employment during all pay periods ending within the year.

²Wage data estimated.

³Labor disputes caused about \$10,000,000 loss of wages to Montana workers, (U.C.C., of Montana figures.)

Source: Social Security Administration, Bureau of Employment Security.

TABLE NO. 11

**Average Weekly Wage of Workers Covered by State
Unemployment Compensation Laws,¹ by State and by
Quarter, and Maximum Weekly Benefit Amount,
1944, for Seven States**

State	Maximum Weekly Benefit Amount	Annual	Average Weekly Wage			
			January to March	April to June	July to Sept.	October to Dec.
Total, 51 States		\$44.21	\$42.69	\$43.90	\$44.19	\$46.08
Florida	\$15	36.69	34.24	36.91	37.33	38.03
Idaho	18	34.00	32.61	34.23	34.22	34.84
Montana	15	36.74	35.35	36.20	36.64	38.70
Utah	20	39.41	40.23	38.85	38.47	40.08
Vermont	15	37.06	35.67	36.51	37.08	39.01
Washington	15	48.74	47.85	48.11	49.84	49.12
Wyoming	20	39.02	39.28	37.97	38.94	39.82

¹Represents average weekly wage of estimated number of workers in covered employment in last pay period of each type (weekly, semimonthly, etc.) ending within the month, and estimated total wages earned in covered employment during all pay periods ending within the quarter. Estimates are based on coverage provisions in effect during fourth quarter of 1943.

TABLE NO. 12

**Domestic Service Workers in 1940, by States¹ (except on public
emergency work), for Seven States**

State	Total Domestic Service Workers		Seeking Work	
	Number	Percent of Total Labor Force	Number	Percent of Total Domestic Service Workers
United States — Total	2,327,159	4.4	215,845	9.3
Florida	72,662	9.2	6,620	9.1
Idaho	4,065	2.1	584	14.4
Montana	4,627	2.1	579	12.5
Utah	3,077	1.7	357	11.6
Vermont	7,923	5.6	468	5.9
Washington	19,320	2.7	1,912	9.9
Wyoming	2,186	2.2	247	11.3

Montana, 1946, (estimated by U. C. C.)—4,100

¹U. S. Census, 1940, vol. III, pt. 1.

PART V.

Administrative Functions of the Commission

INTRODUCTION

Administrative functions of the Commission have resulted directly or indirectly in the distribution in Montana of more than \$6,409,000 in unemployment benefits and allowances and self-employed allowances to veterans in the fiscal year of 1945-46.

Briefly, the sources of the total amount are:

Payments to Montana civilian unemployed	\$ 891,248
Payments to Montana veteran unemployed	\$2,915,233
Payments certified to Montana veterans self-employed under the allowance program	\$1,501,108
Payments to Montana civilian unemployed by other states (estimated)	\$1,101,500
<hr/>	
TOTAL OF ALL PAYMENTS	\$6,409,089

This is the largest amount of money ever distributed to Montana unemployed and self-employed workers under government programs in the history of social security in the state. In the light of social security over the 10-year period discussed in Part II of this report, 1945-46 is the most important year in the history of the program.

Nearly \$4,500,000 of the total went to Montana veterans of World War II under provisions of the Servicemen's Readjustment Act of 1944, Title V which the Commission administers in Montana by arrangement with the Veterans Administration. The balance of the total, about \$1,900,000, was paid to civilian unemployed in the state by Montana and by other states, principally Washington, Oregon and California, on wage credits earned in war industries in those states.

The million and one-half dollars paid to veterans who are self-employed was not paid directly from state funds, but from federal funds based on certifications of the Commission to the United States Treasury Department. On October 1, 1946, the Commission began to write the checks for self-employed claims on state funds, and is reimbursed on a weekly basis in the same manner that unemployed claims have been handled since the beginning of the program.

Other States Pay Over Million

The other states paid to Montana unemployed an estimated \$1,101,500 on the basis of the number of claims taken in Montana

TABLE NO. 13

Distribution of Civilian, Veterans Unemployed and Veterans Self-Employed Benefits and Allowances By Counties for the Fiscal Year Beginning July 1, 1945 and Ending June 30, 1946

Compiled by Research and Statistics

COUNTY	Civilian Unemployed No. of Weekly Payments	Veterans Unemployed No. of Weekly Payments	Veterans Self-Employed No. of Monthly Payments	Civilian Unemployed Amt. of Weekly Payments	Veterans Unemployed Amt. of Weekly Payments	Veterans Self-Employed Amt. of Monthly Payments	Total No. of Pay- ments Civilian, Veterans Unem- ployed & Veterans Self-Employed	Total Amount of Payments Civilian, Veterans Unem- ployed & Veterans Self-Employed	Estimated Amt.— Civilian Benefits Coming Into Mont. from Other States Where Claimant Earned Wage Credits	Grand Totals of All Benefits & Allowances Paid to Claimants
Beaverhead	272	1,071	52	\$21,355	\$5,170	1,395	\$30,354	\$12,000	\$42,354	
Big Horn	440	1,773	407	35,367	40,240	2,620	81,255	8,000	89,255	
Blaine	524	1,905	471	37,996	46,585	2,900	91,687	16,000	107,687	
Broadwater	208	928	124	18,507	12,330	1,260	33,429	1,000	34,429	
Carbon	2,225	4,796	329	95,687	32,673	7,350	158,555	32,000	190,555	
Carter	15	449	267	8,973	26,617	731	35,787	1,000	36,787	
Cascade	4,314	11,358	380	226,313	37,342	16,052	320,848	54,000	374,848	
Chouteau	85	697	517	13,910	51,628	1,299	66,421	1,000	67,421	
Custer	598	2,258	285	44,794	28,243	3,141	81,486	24,000	105,486	
Daniels	8	757	226	15,113	22,569	991	37,802	1,500	39,302	
Dawson	142	1,253	557	24,979	55,418	1,952	82,275	8,000	90,275	
Deer Lodge	2,330	4,954	27	98,725	2,573	7,311	134,137	20,000	154,137	
Fallon	162	676	256	2,134	13,508	1,094	41,242	3,000	44,242	
Fergus	544	1,326	458	26,285	45,293	2,328	78,898	19,000	97,898	
Flathead	4,901	9,238	474	184,336	46,653	14,613	297,181	106,000	403,181	
Gallatin	1,688	4,589	303	21,470	91,306	6,580	142,727	38,000	180,727	
Garfield	15	225	180	4,492	17,921	420	22,638	1,000	23,638	
Glacier	953	2,438	303	48,523	30,216	3,694	91,725	17,000	108,725	
Golden Valley		145	80	2,900	7,978	225	10,878	-----	10,878	
Granite	336	576	54	11,496	5,393	966	21,601	2,000	23,601	
Hill	608	2,003	575	39,826	57,203	3,186	105,363	23,000	128,363	
Jefferson	343	972	92	19,401	9,082	1,407	33,259	1,000	34,259	
Judith Basin	35	451	212	9,007	21,078	698	30,544	1,500	32,044	

Lake.....	1,892	5,018	471	23,584	100,057	46,608	7,381	170,249	63,000	233,249
Lewis & Clark.....	1,547	5,958	257	20,587	118,284	25,283	7,762	164,154	39,000	203,154
Liberty.....	1	121	174	13	2,420	17,297	296	19,730	2,000	21,730
Lincoln.....	1,413	1,845	94	19,137	36,725	9,145	3,352	65,007	16,000	81,007
Madison.....	703	1,254	135	8,876	25,068	13,308	2,092	47,252	1,000	48,252
McCone.....	130	790	404	1,395	15,790	40,174	1,324	57,359	1,000	58,359
Meagher.....	45	238	48	591	4,743	371	10,056	1,000	11,056	11,056
Mineral.....	338	487	46	4,654	9,723	4,501	871	18,878	1,000	19,878
Missoula.....	5,618	12,826	206	77,314	255,678	20,074	18,650	353,066	143,000	496,066
Musselshell.....	540	1,333	95	7,612	26,613	9,364	1,968	43,589	9,000	52,589
Park.....	923	3,058	266	12,705	60,842	26,330	4,247	99,877	16,000	115,877
Petroleum.....	13	32	35	195	635	3,468	80	4,298	1,500	5,798
Phillips.....	401	1,103	580	4,704	21,952	57,553	2,084	84,209	16,000	100,209
Pondera.....	219	732	456	2,881	14,585	45,549	1,407	63,015	6,000	69,015
Powder River.....	10	520	140	150	10,397	13,885	670	24,432	1,500	25,932
Powell.....	365	1,231	62	4,509	24,553	6,163	1,658	35,225	1,500	36,725
Prairie.....	56	286	203	782	5,720	20,261	545	26,763	1,000	27,763
Ravalli.....	4,039	4,909	416	48,934	97,817	40,966	9,364	187,717	69,000	256,717
Richland.....	876	2,376	491	11,521	47,413	48,969	3,743	107,903	23,000	130,903
Roosevelt.....	183	3,986	654	2,455	79,643	65,096	4,823	147,194	25,000	172,194
Rosebud.....	142	1,111	168	1,971	22,159	16,764	1,421	40,894	6,000	46,894
Sanders.....	867	2,245	169	11,608	44,764	16,497	3,281	72,869	1,500	74,369
Sheridan.....	114	1,506	414	1,337	30,064	41,398	2,034	72,799	5,000	77,799
Silver Bow.....	15,085	22,405	73	210,160	446,759	6,953	37,563	663,872	154,000	817,872
Stillwater.....	65	574	217	974	11,376	21,471	856	33,821	1,000	34,821
Sweet Grass.....	107	473	30	1,385	9,437	3,000	610	13,822	1,000	14,822
Teton.....	233	878	421	3,050	17,482	41,960	1,532	62,492	1,500	63,992
Toole.....	455	709	245	6,221	14,087	24,460	1,409	44,768	11,000	55,768
Treasure.....	60	188	113	870	3,760	11,220	361	15,850	1,000	16,850
Valley.....	381	2,288	742	4,927	45,652	74,038	3,411	124,617	27,000	151,617
Wheatland.....	28	134	34	344	2,680	3,400	196	7,424	1,000	7,424
Wibaux.....	67	346	123	875	6,919	12,237	536	20,031	2,000	22,031
Yellowstone.....	3,944	8,958	517	53,966	178,386	51,238	13,419	283,590	63,000	346,590
TOTALS (Intrastate).....	61,606	144,756	15,128	829,824	2,884,982	1,501,108	221,490	5,215,914		
(Interstate).....	4,510	1,518	None	61,424	30,251	None	6,028	91,675		
GRAND TOTALS.....	66,116	146,274	15,128	\$891,248	\$2,915,233	\$1,501,108	227,518	\$5,307,589	\$1,101,500	\$6,409,089

local offices against other states, the amount figured on an average weekly benefit paid to claimants, since these states pay varied amounts per week. The interstate claims-taking activity of the Commission results from an agreement the Commission has with all other states to take claims for them. These claims are taken in the local offices of the employment service and mailed directly to the liable state. Nearly \$892,000 was paid out of the unemployment compensation trust fund of this state to Montana unemployed who had earned wage credits through employment with Montana firms subject to the unemployment compensation act of Montana.

Civilian claimants in Montana ran about one to five to veteran claimants. The reason for this lies in the fact that many workers during the war were old people who had re-entered the labor market because of the demand for workers caused by the entry of so many men into the armed forces. On the ending of the war, these older persons withdrew again from the labor market leaving job opportunities for other civilians who had lost employment as a result of curtailed war industries in the state, however few there were, and for the returned veterans.

In late August, civilian claimants had dwindled to about 700 or 800 in the whole state, and represented that usual group of persons who, because of age, infirmities, or other limitations and retirement from the labor market, continue to draw benefits.

TABLE NO. 14

Percent of Weeks of Total Unemployment Compensated at Statutory Maximum and Minimum Benefit Amount, Percentage Distribution by Amount of Payment, and Average Weekly Benefit for Total Unemployment, By State, for Seven States, 1944

State	Total Number	Weeks of Total Unemployment Compensated							Average Weekly Benefit for Total Unemployment
		Percent at ¹	Percentage Distribution by Benefit Amount ¹	Less Than \$5	\$5 to \$9.99	\$10 to \$14.99	\$15 to \$17.99	\$18 or More	
Florida	44,794	52.6	.7		13.3	34.1	52.6		\$12.96
Idaho	4,445	24.7	.5		32.5	26.3	16.5	24.7	12.38
Montana	7,879	51.7	4.5		23.9	24.4	51.7		12.34
Utah	10,032	83.4	.4		3.8	5.6	3.5	87.1	18.88
Vermont	5,480	38.2	1.7		14.7	47.1	38.2		12.29
Washington	14,649	79.6	3.8		8.8	11.6	79.6		13.91
Wyoming	165	35.0	.7		8.0	15.3	26.3	50.4	15.13
Montana, 1945	10,180	60.1	3.1		15.1	24.8	60.1		\$13.05

¹Based on payments for full weekly benefit rate only; excludes residual payments and payments reduced because of receipt of benefits under other programs.

Source: Social Security Administration.

20 Counties Receive Nearly Five Million

On the basis of all payments made to unemployed civilians and veterans and self-employed veterans from all sources in and out of state (see Table No. 13, pages 46-47), the following listing shows the 20 counties in Montana receiving more than \$100,000 for such benefits and allowances:

1. Silver Bow	\$ 817,872
2. Missoula	496,066
3. Flathead	403,181
4. Cascade	374,848
5. Yellowstone	346,590
6. Ravalli	256,717
7. Lake	233,249
8. Lewis and Clark	203,154
9. Carbon	190,555
10. Gallatin	180,727
11. Roosevelt	172,194
12. Deer Lodge	154,137
13. Valley	151,617
14. Richland	130,903
15. Hill	128,363
16. Park	115,877
17. Glacier	108,725
18. Blaine	107,687
19. Custer	105,486
20. Phillips	100,209
<hr/>	
TOTAL	\$ 4,778,157

With the exception of Silver Bow county, the amount of unemployment payments into the high 20 counties does not follow population trends specifically as to the order of counties, but more on the basis of employment possibilities coupled with the general level of population and the economy of the individual counties.

The counties into which went the lowest amounts of benefits were Petroleum, \$5,798, and Wheatland, \$7,424.

Quick Recovery in Montana

In conclusion, the unemployment program in the state has directly aided in the reconversion of business by providing those workers thrown out of employment by the ending of the war and returned veterans some means of bridging the gap in finding jobs; as an adjunct to savings in helping to keep them intact, and as a buoying up of the temporary slack in the buying power of the state, all of which contributed to the relatively quick recovery that Montana has made, taking into consideration the shortages that are still current in materials and commodities.

A.—Unemployment Compensation

One of the main functions of the Commission is the collection of the tax on employers in Montana subject to the unemployment compensation act, and the payments of benefits to qualified unemployed workers. This function, together with the employment service function, constitute the main work of the Commission.

In the following pages will be found a detailed discussion of the work of the unemployment compensation division during the fiscal year 1945-46 with some figures for July, August and September of 1946.

The Commission wishes to repeat in this part of the report that under the law it can accomplish only two things: (1) Pay benefits to the unemployed workers of the state as a right of those workers to claim benefits, and (2) aid business in the state by bolstering purchasing power in the lean years through such benefit payments in the aggregate.

A third requirement of the law as of November 15, 1946, is to help the unemployed find jobs. This part of the work of the Commission will be discussed in Section D following.

1.—CLAIMS AND BENEFITS

Following three years in which benefit payments reached new lows, in 1942-43, 1943-44, and 1944-45, because of virtually no unemployment as a result of the drains on man- and woman-power by the armed forces and war industries, claims and benefits started to climb following the end of the war, as war workers were laid off by the millions, and later discharged servicemen began to flood back to their homes after years of fighting.

In Montana, several factors operated to keep claims against the state at a much lower level than would have been true if these factors had not been present. They are: (1) the readjustment allowance program; (2) claims of returned Montana workers from war industries against other states, mainly those on the Pacific Coast; and (3) the great demand for workers in commerce and industry of the state.

In 1944-45 the lowest claim history of the Commission was recorded when only \$73,431 in unemployment benefits was paid to civilian unemployed. At the end of the next fiscal year on June 30, 1946, the Commission had paid out \$891,248, more than 12 times as much as in 1944-45. The greatest amount in benefits ever paid out by the Commission was in the fiscal year 1940-41, when \$2,972,226 was sent to unemployed workers, more than 40 times that for the lowest year, and more than three times the figures for 1945-46.

With something like 20,000 unemployed in the lowest period in the fiscal year, in March of 1946, more than three-fourths were veterans who were discharged and returned to Montana

TABLE NO. 15

Distribution of Civilian Unemployed Benefits by Industry Group

—Fiscal Year Beginning July 1, 1945, Ending June 30, 1946

	Total Weeks Compensated	Total Weeks Female Compensated	Ratio of Female Weeks to Total Compensated (%)	Total Amount Compensated	Total Amount Females Compensated	Ratio of Female Amount to Total Compensated (%)	Total First Payments	Total First Payments Female	Ratio of Female Total First Pay- ments (%)	Total 16th Payments	Total 16th Payments Female	Ratio of Female Total 16th Pay- ments (%)
GRAND TOTALS	66,116	14,505	21.9	\$891,248	\$179,097	20.1	6,719	1,596	23.8	1,790	564	31.5
07 Agriculture & Services	3			45			5			1		
08 Forestry	57			885			5			1		
AGRICULTURE & FORESTRY, TOTAL	60			930								
10 Metal Mining	12,756	1,368	10.7	186,238	19,926	10.7	1,253	109	8.7	396	62	15.7
11 Anthracite Mining												
12 Bituminous & Soft Coal Mining	2,070	13	.6	30,068	134	.4	234	1	.4	29		11.1
13 Crude Oil & Natural Gas Production	990	75	7.6	14,296	1,025	7.2	115	7	5.2	18	2	9.5
14 Nonmetallic Mining & Quarrying	811	77	9.5	11,432	954	8.3	183	6	8.4	21	66	14.2
MINING, TOTAL	16,627	1,533	9.2	242,034	22,039	9.1	1,685	123	7.3	464		
15 Building Construction	2,139	23	1.1	30,078	205	.7	245	2	.8	56	1	1.8
16 General Contractors	3,717	52	1.4	52,988	685	1.3	377	3	.8	99	2	2.0
17 Special Trade Contractors	1,391	167	12.0	18,999	2,072	10.9	154	25	16.2	27		
CONTRACT CONSTRUCTION, TOTAL	7,247	242	3.3	102,065	2,962	2.9	776	30	3.9	182	3	1.6
19 Ordnance & Accessories	321	108	33.6	4,584	1,503	32.8	24	4	16.7	11	5	45.5
20 Food & Kindred Products	7,328	1,621	22.1	96,451	21,709	22.5	665	204	30.7	232	116	50.0
21 Tobacco Manufacturers	12	12	100.0	108	108	100.0	1	1	100.0			
22 Textile-mill Products												
23 Apparel Made from Fabrics	49	36	73.5	558	416	74.6	4	4	100.0	1		
24 Lumber & Timber Products	6,314	499	7.9	88,227	6,967	7.9	677	42	6.2	133	13	9.8
25 Furniture & Finished Products	105	5	4.8	1,524	71	4.7	11	1	9.1	1		
26 Paper & Allied Products	2	23										
27 Printing & Publishing	296	134	45.3	3,897	1,658	42.5	29	14	48.3	8	5	62.5
28 Chemicals & Allied Products	87	20	23.0	1,224	265	21.7	6	1	16.7	6	2	33.3
29 Products of Petroleum & Coal	180	53	29.4	2,558	657	25.7	20	6	30.0	4		
30 Rubber Products												
31 Leather & Leather Products												
32 Stone, Clay & Glass Products	255	18	7.1	3,293	154	4.7	30	2	6.7	6	1	16.7
33 Iron, Steel & Their Products	184			2,625			15			5		
34 Transportation Equipment (except autos)												
35 Nonferrous Metals & Products	84	31	36.9	1,256	461	36.7	10	3	30.0	3	2	66.7
36 Electrical Machinery	13			195			1					
37 Machinery (except electrical)	64			900			9			1		
38 Automobiles & Equipment	843	70	8.3	12,427	944	7.6	83	9	10.8	21		
39 Miscellaneous Manufacturing Ind.	123	36	29.3	1,557	400	25.7	3	3	27.3	3		
MANUFACTURING, TOTAL	16,260	2,643	16.3	221,407	35,313	15.9	1,597	294	18.4	435	144	33.1

during the season of lowest employment possibilities and opportunities. Had such discharge rates occurred in July and August, when employment opportunities are usually at their highest in Montana, the claim load against Montana and against the readjustment allowance program would have been cut probably in half or more. At any rate, both veterans and civilians were returned to the state at the worst possible time, hence they sought unemployment benefits and allowances to aid them in getting located in a new job or in adjusting to civilian life.

It is obvious that if it hadn't been for the unemployment allowance to veterans, that the benefit payments out of state funds would have been much higher, since the state would have had to take care of the veterans through means of the frozen wage credit provision of the state law. This would have had the effect of reducing the state's trust fund reserve for unemployment benefits considerably, so that it would have been much below the \$21,500,000 that existed in August of 1946.

Workers Return to State

The exact number of Montana people who left the state to take employment in the war industries, principally on the Pacific Coast, cannot be determined. Judging from the number of claims taken in the local offices of the employment service against other states, a considerable number have returned to Montana, and constitute additions to the labor force. These persons, while seeking employment here, drew benefits from the states in which they earned wage credits, consequently they were not claimants against Montana, thus helping in keeping down the claims load in this state. The estimate of the amount of benefits paid to such workers by other states is \$1,101,500 for the fiscal year. Had these workers earned wage credits in Montana for the same period, the state would have had to pay out at least a part of the \$1,101,500, further depleting the trust fund.

Demand for skilled workers was great immediately following the ending of the war, and the available supply quickly gobbled up when it returned to the state. Office workers, technicians, clerical workers, artisans, and many other classes of workers were in demand. Those qualified quickly found suitable employment. Those whose skills were war-born and in narrow limits or in skills not usable in Montana, found employment-getting difficult. When jobs were not forthcoming, they of course, filed claims for unemployment compensation against Montana and the other states. In the spring, when seasonal work opened up again, more and more were able to find employment as the demand for workers was stepped up following the initial draining off of the more experienced workers. The fact of the demand existing at a time when seasonal layoffs are the usual thing was a direct cause for less unemployment than ordinarily exists at that time.

Following will be found several tables that reveal the details of the claims and benefits operation for the fiscal year.

66,116 Weekly Payments Made

By actual count of names on lists of payments for the year, 7,344 individuals drew one or more weekly benefit checks during the year (see Table No. 16, on page 55). A total of 66,116 weekly payments were made by the Commission to unemployed workers for a total amount of \$891,248. In other words, the amount of payments was distributed to 7,344 individuals, of whom 1,772 drew 16 checks, the maximum allowed under the Montana law. At that, this number represented only 17.9 per cent of all individuals drawing benefits, and is nearly equal to the previous low rate of exhaustions recorded in 1943-44, when the rate was 17.4 per cent. The highest rate of exhaustions occurred in 1940-41, when 39.1 per cent exhausted benefits. (See Table No. 17, Page 56.)

The only conclusion possible is that many persons drawing benefits found employment before exhausting benefits, as many as in 1943-44, the next to the lowest unemployment year in the history of the Commission.

During July, August and September, benefit payments continued to drop from \$19,400 for week ending July 13 to \$7,368 for week ending September 28. Through week ending September 28, total benefit payments for the period reached \$153,290.

TABLE NO. 16

Distribution of Number of Individuals by Sex and Months Who Drew Civilian Unemployment Compensation in the Fiscal Year 1945-1946

(Compiled by Research and Statistics)

	Total Number of Individuals	Number of Males	Number of Females	Ratio of Females (percent) to Total Individual	Total Number of Payments	Number of Payments to Females	Total Amount Payments	Amount Paid to Females
1945—July	141	41	100	70.9	450	336	\$ 5,216	\$ 3,620
August	154	49	105	68.2	489	344	5,947	3,839
September	187	87	100	53.5	484	280	6,135	3,208
October	289	172	117	40.5	784	335	10,482	4,016
November	490	357	133	27.1	1,429	400	19,427	4,823
December	1,032	818	214	20.7	2,765	558	38,217	6,994
1946—January	2,344	1,933	411	17.5	6,985	1,173	97,314	14,876
February	2,193	1,642	551	25.1	10,870	1,533	149,253	19,043
March	4,021	3,111	910	22.6	13,375	3,050	180,882	36,793
April	3,765	2,731	1,034	18.5	11,860	2,194	159,683	28,108
May	3,043	1,987	1,056	23.3	9,395	2,189	124,391	27,577
June	2,415	1,367	1,048	29.2	7,237	2,113	94,301	26,200
	7,344*	-----	-----	-----	66,116	14,505	891,248	179,097

*This is an actual count of the number of individuals who drew one or more payments in the fiscal year 1945-46.

During the months of July, August and September, the number of females drawing benefits exceeded the males. This trend appears to be following a seasonal pattern. For the remainder of the fiscal year the males exceed in numbers.

Supplement

1946—July	1,723	898	825	47.9	5,480	2,744	70,553	31,713
August	1,243	591	652	52.5	3,865	2,131	49,236	24,688
September	948	462	486	51.3	2,718	1,481	34,771	17,458
TOTALS	3,914*	-----	-----	-----	12,063	6,356	154,560	73,859

On the basis of past experience, the Commission expects the claims load to begin to climb, reaching its peak in March of 1947, as has happened in every year since benefits were first paid on July 1, 1939. If nothing more than seasonality affects the claims load, the usual peak will be reached as in the past. Montana's seasonal industries by their very nature cause a certain ebb and flow of unemployment culminating in the greatest load in the month of March each year, only such an emergency as a great war making any difference in the regular course of unemployment in this state. The only other influence which would possibly change that pattern would be guaranteed annual employment, the ideal of economic life, but very far away in actuality.

Repeaters Reveal Seasonality

A partial study of repeater claimants from year to year shows that of the 30 claimants who last year had filed claims for each of the first six years of benefit payments, 21 of them had filed at

TABLE NO. 17
Claimants Exhausting Benefits — Montana
For Fiscal Years 1939-40 Through 1945-46

Fiscal Year	New Claims Allowed	Number of Claimants Exhausting Benefits	Per Cent of Claimants Exhausting Benefits
1939-1940	27,385	9,578	35.1
1940-1941	26,557	10,543	39.7
1941-1942	16,805	5,668	33.1
1942-1943	2,234	664	29.7
1943-1944	1,110	193	17.4
1944-1945	765	216	28.2
1945-1946	9,875	1,772	17.9
Total for 7 Years....	84,731	28,634	33.8

TABLE NO. 18
Ratio of Exhaustion to First Payments — 14 States

	1940	1941	1942	1943	1944	1945
United States	49.5 ¹	46.4 ¹	40.2 ²	31.1 ²	19.5 ³	-----
Colorado	52.1	48.9	38.7	17.3	20.9	-----
Connecticut	55.1	37.7	22.8	15.2	8.7	-----
Florida	69.3	55.9	49.1	35.5	21.4	-----
Idaho	63.7	63.7	42.1	40.6	41.3	-----
Iowa	60.1	52.6	48.2	45.6	39.9	-----
Maryland	45.0	50.4	33.9	18.2	17.0	-----
Montana	55.7	49.4	36.4	19.7	27.7	15.6
Nevada	60.5	59.8	41.4	33.2	28.8	-----
New Mexico	54.9	49.2	34.6	28.4	22.8	-----
New York	50.1	54.3	42.8	30.8	11.0	-----
Utah	53.3	46.6	32.3	17.6	6.6	-----
Vermont	49.8	46.4	40.1	34.3	27.4	-----
Washington	48.5	42.9	29.4	8.6	9.3	-----
Wyoming	58.7	95.0	----- ⁴	----- ⁴	----- ⁴	-----

¹Based on 45 States.

²Based on 47 States.

³Based on 49 States.

⁴Data not comparable.

Source: Social Security Administration.

least an initial claim for the seventh year in succession. Of the 21, half were women, all of whom were employed in seasonal work such as seed sorting. The men were also all employed in seasonal work in the sugar mills and in construction. Of the 21, none were under 40, and most were over 50 years of age. By far the fewest in number were those in construction trades, and this is understandable when it is known that at the moment and for some time to come, construction workers of the skilled type such as carpenters and concrete workers are in demand.

Women One-fifth of Total

A breakdown of payments to claimants by sex and industry (Tables No. 15 and 19, pages 52 and 57) shows that one-fifth of all Montana claimants against the state were women and this group received one-fifth of the total amount paid in benefits. However, of the total number who exhausted benefits, nearly one-third was women, indicating that women claimants tend more to exhaust benefits than men on the basis of total payments to total number of women receiving benefits. This again can be charged to the seasonal character of the work women claimants perform in this state, except that in the service industries and the finance, real estate, and insurance industry more than 50

TABLE NO. 19

Number of Initial Benefit Claims Received by Months

Seventh Fiscal Year of Benefit Payments

July 1, 1945 to June 30, 1946

	Original & New Claims		Additional Claims		Grand Totals	
	Total	Female	Total	Female	Total	Female
1945—July	68	23	10	2	78	25
August	110	49	18	5	128	54
September	167	76	27	21	194	97
October	555	123	52	26	607	149
November	704	158	64	30	768	188
December	1,563	233	133	35	1,696	268
1946—January	1,928	443	174	51	2,102	494
February	1,565	360	221	42	1,786	402
March	1,337	247	318	53	1,655	300
April	2,092	334	327	74	2,419	408
May	767	191	341	89	1,108	280
June	488	176	242	64	730	240
Total	11,344	2,413	1,927	492	13,271	2,905
Comparison:						
1945-1946	11,344	2,413	1,927	492	13,271	2,905
1944-1945	909		257		1,166	
1943-1944	1,171		163		1,334	
1942-1943	2,638		794		3,432	

Supplement

July	370	213	583
August	318	244	562
September	608	211	819
TOTAL	1,296	668	1,964

per cent of claimants are women. There is some seasonality in service industry work, but little in finance, real estate and insurance.

Exhaustions Relatively Low for All

On the basis of industry, more than 50 per cent of those drawing benefits during the year who had been employed in wholesale and retail trade exhausted benefits, while nearly 50 per cent who had been employed in the service industries and in finance, exhausted benefits.

On the other hand, the total number of exhaustions as exemplified by sixteenth payments was only 2.7 per cent of the total payments, indicating again that although many started to draw benefits they found employment anywhere within four to 15 weeks, the low percentage of exhaustions indicating that probably most of them found employment within 10 weeks.

Commission Checks Claimants

The Commission at all times maintained a careful check on unwarranted claims by weekly checks through the local offices of the employment service as claimants each week came in to file claims, and by direct contacts with doubtful claimants through the field force, and direct efforts to get job listing through subject employers.

In conclusion, it has been showed that Montana did experience a great increase of benefit payments during 1945-46 over 1944-45, but in comparison with other states, Montana had a relatively low claim load for the reason that Montana had few war industries, making the reconversion problem simple for the state. Utah reports the highest benefit payments of state unemployment insurance in its history, but Utah had many contract war industries and paid higher benefits, too, having a cost of living provision in its law.

Finally, and to repeat, although late in the summer and early in the fall benefit payments had fallen to about one-fourth of the highest weekly payments, the state can expect a gradual increase in claims as usual, until in March of 1947 the peak again will be reached. Whether that peak will approximate or exceed the peak for March of 1946 remains to be seen, but if construction employment can open up through availability of materials and fixtures, there is a good chance that the peak of claims will not be greater than in 1946.

TABLE NO. 20

Disposition of New and Continued Claims and Number and Amount of Benefit Payments by Months

Fiscal Year 1945-46

	Number New Claims Allowed	Number New Claims Disallowed	Total New Claims	Number Ineligible or Void Claims	Number Waiting Period Claims	Number Compen- sated Claims	Total Continued Claims	Number First Payments Exhausted	Number Total Payments	Total Amount
1945—July	60	7	67	25	25	450	500	39	11	450 \$ 5,216
August	98	9	107	16	17	489	522	78	22	489 5,947
September	132	24	156	41	47	484	572	24	12	484 6,135
October	289	131	420	45	87	784	916	29	21	784 10,482
November	327	134	461	87	129	1,429	1,641	267	18	1,429 19,427
December	1,094	203	1,297	197	350	2,765	3,309	522	29	2,765 38,217
1946—January	2,033	306	2,339	543	671	6,978	8,192	1,395	67	6,978 97,314
February	1,447	220	1,667	515	551	10,870	11,946	1,311	114	10,870 149,253
March	1,044	134	1,178	566	431	13,375	14,345	1,134	214	13,375 180,882
April	1,895	81	1,976	373	226	11,860	12,457	858	394	11,860 159,683
May	1,046	96	1,142	276	184	9,395	9,848	689	496	9,395 124,391
June	410	76	486	216	134	7,237	7,573	373	392	7,237 94,301
Total	9,875	1,421	11,296	2,900	2,852	66,116	71,821	6,719	1,790	66,116 \$891,248
Supplement										
July	318	64	382	214	124	5,480	5,818	296	339	5,480 70,553
August	290	47	337	189	97	3,865	4,151	236	268	3,865 49,236
September	515	60	575	149	65	2,718	2,932	182	167	2,718 34,771
TOTALS	1,123	171	1,194	552	286	12,063	12,901	714	774	12,063 \$154,560

TABLE NO 21

Interstate Benefit Payments by States

(Benefit Payments on Claims Submitted by Unemployed Montana Workers Through Other States)

FISCAL YEAR JULY 1, 1945 TO JUNE 30, 1946

	No. of Paym'ts 1942-43	No. of Paym'ts 1943-44	No. of Paym'ts 1944-45	No. of Paym'ts 1945-46	Amount of Pay 1942-43	Amount of Pay 1943-44	Amount of Pay 1944-45	Amount of Pay 1945-46
Alabama	1	---	1	7	\$ 15	\$ ---	\$ 15	\$ 84
Arizona	28	16	15	38	368	240	225	528
Arkansas	3	---	---	19	19	---	---	285
California	256	55	20	581	2,656	708	225	7,779
Colorado	79	50	9	78	1,093	569	135	1,099
Connecticut	---	---	---	19	---	---	---	285
Delaware	---	---	---	---	---	---	---	---
Florida	13	---	---	2	185	---	---	30
Georgia	1	---	---	56	11	---	---	555
Idaho	142	32	33	300	1,704	404	463	4,128
Illinois	69	11	10	79	902	128	120	1,085
Indiana	1	16	---	7	14	144	---	105
Iowa	14	4	23	36	143	52	345	467
Kansas	29	17	16	53	384	166	112	748
Kentucky	10	10	3	---	82	70	37	---
Louisiana	5	5	2	3	46	30	28	45
Maine	---	---	---	8	---	---	---	104
Maryland	---	---	---	---	---	---	---	---
Massachusetts	---	---	---	3	---	---	---	45
Michigan	60	9	---	138	752	135	---	1,922
Minnesota	422	188	19	688	5,059	2,229	141	9,663
Mississippi	1	10	---	10	11	110	---	150
Missouri	65	6	22	89	857	48	272	1,247
Montana	---	---	---	---	---	---	---	---
Nebraska	42	7	1	46	436	42	14	690
Nevada	26	---	---	42	272	---	---	514
New Hampshire	---	---	---	---	---	---	---	---
New Jersey	16	---	---	---	150	---	---	---
New Mexico	5	5	2	18	70	65	26	243
New York	---	---	---	32	---	---	---	410
North Carolina	1	---	35	17	15	---	355	207
North Dakota	180	23	---	141	2,112	345	---	1,988
Ohio	4	---	---	28	32	---	---	366
Oklahoma	38	32	14	82	318	365	144	1,117
Oregon	59	45	5	332	649	629	75	4,571
Pennsylvania	9	4	---	27	135	60	---	405
Rhode Island	---	---	---	---	---	---	---	---
South Carolina	---	---	1	---	---	---	15	---
South Dakota	58	14	---	43	645	210	---	627
Tennessee	---	9	---	31	---	24	---	434
Texas	93	89	50	90	875	1,023	637	1,176
Utah	25	2	6	119	275	22	42	1,737
Vermont	---	1	---	9	---	13	---	99
Virginia	10	6	---	1	140	90	---	15
Washington	311	17	13	935	3,051	226	195	12,665
West Virginia	---	---	---	24	---	---	---	244
Wisconsin	33	---	13	49	409	---	137	649
Wyoming	36	16	8	216	358	190	100	2,724
Dist. of Columbia	3	---	---	7	33	---	---	84
Alaska	---	---	---	---	---	---	---	---
Hawaii	---	---	---	---	---	---	---	---
Canada	---	---	---	7	---	---	---	105
TOTALS	2,148	699	321	4,510	\$24,276	\$8,337	\$3,858	\$61,424

TABLE NO. 22
Amount of Intrastate and Interstate Payments by Months

Fiscal Year 1945-46				
	Intrastate Benefit Payments	Interstate Benefit Payments	Grand Total Payments	Female Total Payments
1945—July	\$ 4,946	\$ 270	\$ 5,216	\$ 3,620
August	5,815	132	5,947	3,839
September	5,694	441	6,135	3,208
October	9,157	1,325	10,482	4,016
November	17,274	2,153	19,427	4,823
December	35,083	3,134	38,217	6,994
1946—January	89,442	7,872	97,314	14,876
February	140,220	9,033	149,253	19,043
March	169,328	11,554	180,882	36,793
April	148,828	10,855	159,683	34,137
May	116,439	7,952	124,391	27,888
June	87,598	6,703	94,301	19,860
Total	\$829,824	\$ 61,424	\$891,248	\$179,097
Supplement				
July	64,594	5,959	70,553	31,713
August	44,702	4,534	49,236	24,688
September	32,194	2,577	34,771	17,458
TOTALS	\$141,490	\$ 13,070	\$154,560	\$ 73,859

TABLE NO. 23
Interstate Claims by Months
(Claims Submitted by Unemployed Workers Through Other States)
Fiscal Year 1945-46

	Initial Claims		Continued Claims	
	Total	Female	Total	Female
1945—July	6	5	34	22
August	20	10	25	10
September	32	16	81	49
October	54	18	184	79
November	89	25	282	116
December	139	41	561	160
1946—January	160	41	806	198
February	168	60	1,016	286
March	109	38	1,136	348
April	125	34	1,049	383
May	57	27	781	330
June	72	31	641	277
Total	1,031	346	6,596	2,258
Comparison:				
1945-1946	1,031	346	6,596	2,258
1944-1945	73		474	
1943-1944	140		899	
1942-1943	351		3,304	
Supplement				
July	74	25	518	215
August	58	34	433	215
September	49	21	312	180
TOTAL	181	80	1,263	610

TABLE NO. 24
Maximum Weekly Benefits and Maximum Duration of
Benefits, by State¹

State	Maximum Weekly Benefit Amount			Maximum Weeks of Benefits for Total Unemployment		
	Provision in Original Law	Provision in Law in 1944	Provision in Law After 1945 Amendments ¹	Provision in Original Law	Provision in Law in 1944	Provision in Law After 1945 Amendments ¹
Alabama	\$15	\$20	\$20	16	20	20
Alaska	15	16	16	16	16	16
Arizona	15	15	15	12	14	14
Arkansas	15	15	15	16	16	16
California	15	20	20	13	23.4	23.4
Colorado	15	15	15	13	16	16
Connecticut	15	22	22-28 ²	13	18	20
Delaware	15	18	18	13	20	22
District of Columbia	15	20 ³	20 ³	16	20	20
Florida	15	15	15	16	16	16
Georgia	15	18	18	16	16 ⁴	16 ⁴
Hawaii	15	20	25	15	20 ⁴	20 ⁴
Idaho	15	18	18	18	17	17
Illinois	15	20	20	16	20	26
Indiana	15	18	20	15	18	20
Iowa	15	15	18	15	15	18
Kansas	15	15	16	—	16	20
Kentucky	15	16	16	15	20 ⁴	20 ⁴
Louisiana	15	18	18	15	20	20
Maine	15	18	20	16	16	20 ⁴
Maryland	15	20	20 ⁶	16	23	26
Massachusetts	15	18	21	16	20	23
Michigan	16	16	20-28 ⁷	16	20	20
Minnesota	15	20	20	16	16	20
Mississippi	15	15	15	12	14 ⁴	14 ⁴
Missouri	15	18	18	12	16	16
Montana	15	15	15	16	16 ⁴	16 ⁴
Nebraska	15	15	18	16	16	18
Nevada	15	15	18-24 ⁸	18	18	20
New Hampshire	15	18	20	16	18 ⁴	20 ⁴
New Jersey	15	18	22	16	18	26
New Mexico	15	15	15	16	16	16
New York	15	18 ⁹	21 ⁹	16	20 ^{4 9}	26 ^{4 9}
North Carolina	15	15	20	16	16 ⁴	16 ^{4 10}
North Dakota	15	15	20	16	16 ⁴	20 ⁴
Ohio	15	16	21	16 ⁴	18 ⁴	22
Oklahoma	15	16	18	16	16	20
Oregon	15	15	18	16	16	20
Pennsylvania	15	18	20	13	16	20
Rhode Island	15	18	18	20	20.25	20.25
South Carolina	15	15	20	12	16 ⁴	16 ⁴
South Dakota	15	15	15	16	16	20
Tennessee	15	15	15	16	16 ⁴	16 ⁴
Texas	15	15 ⁹	18 ⁹	15	16 ⁹	18 ⁹
Utah	15	20	17-25 ¹¹	14	20 ⁴	27.0-18.4 ¹¹
Vermont	15	15	20	14	18 ⁴	20 ⁴
Virginia	15	15	15	16	16	16
Washington	15	15	25	16	16	26
West Virginia	15	18	20	12	16 ⁴	21 ⁴
Wisconsin	10 ¹²	20	20	10 ¹³	20	23
Wyoming	18	20	20	14	16	20

¹All 1945 amendments effective.

²\$22 maximum basic benefit plus \$2 per dependent up to 3.

³Same maximum with or without dependents; below maximum weekly benefit—1/23 of high-quarter wages plus \$1 for each of not more than 3 dependents and annual benefits may be increased accordingly.

⁴Uniform.

⁵8 per cent of wages (not exceeding \$375 per quarter). Earned in first 8 of last 9 calendar quarters preceding benefit year.

⁶Law provides for increase of maximum weekly benefit up to \$25 in event of similar increase in GI benefits.

⁷\$20 maximum basic benefit plus \$2 per dependent up to the lesser of \$28 and average weekly wage in high quarter.

⁸Dependents' allowances of \$3 for first 2 dependents and \$6 for 3 or more.

⁹Converted from days of unemployment in New York and 2-week periods in Texas.

¹⁰20 weeks for veterans under "freezing provisions."

¹¹Weekly benefit amount adjusted with cost-of-living index; statutory minimum \$20 reduced 20 per cent when index is 98.5 or below, increased 20 per cent when index is at or above 125; maximum annual benefits not affected; therefore if weekly amount is decreased or increased, weeks increased or decreased from normal duration of 23 weeks. Effective July 1, 1945—Maximum benefit amount is \$25; maximum duration is 18.4 weeks.

¹²1933 original law; effective Jan. 1, 1936—\$15.

¹³1933 original law; effective Jan. 1, 1936—13 weeks; 1 week of benefits to 4 of employment in 52 weeks if weekly benefit amount is \$10; 1 to 5 if benefit amount is \$12.50; 1 to 6 if benefit amount is \$15.

Source: Social Security Administration.

TABLE NO. 25

**Amount and Duration of Benefits; Number of States, and
Percentage Distribution of Covered Workers in These
States in 1944,¹ by Maximum Weekly Benefit,
Maximum Duration, and Maximum Annual
Benefits, Sept. 30, 1945**

Amount and Duration of Benefits	Number of States	Percentage Distribution	Covered Workers in These States	
			Cumulative Percentages	
			Specified Provision or Less	Specified Provision or More
Maximum Weekly Benefit:				
Total	51	100.0		
\$15 (Montana)	10	6.5	6.5	100.0
\$16	3	2.0	8.5	93.5
\$18	11	13.4	21.9	91.5
\$20	17	39.2	61.1	78.1
\$21	3	24.7	85.8	38.9
\$22	1	4.2	90.0	10.0
\$24	1	.1	90.1	10.0
\$25	3 ²	2.5	92.6	9.9
\$28	2 ³	7.4	100.0	7.4
Maximum Weeks of Benefits for Total Unemployment:				
Total	51	100.0		
14	2	.8	.8	100.0
16 (Montana)	12	12.5	13.3	99.2
17	1	.2	13.5	86.7
18	3	4.9	18.4	86.5
20	21	30.5	48.9	81.6
21	1	1.1	50.0	51.1
22	2	7.1	57.1	50.0
23	4	14.5	71.6	42.9
26	5	28.4	100.0	28.4
Maximum Annual Benefits:				
Total	51	100.0		
\$210	2	.8	.8	100.0
\$240, \$256	8	5.7	6.5	99.2
\$288, \$300, \$306	4	4.3	10.8	93.5
\$320, \$324	7	9.6	20.4	89.2
\$360, \$365	4	4.0	24.4	79.6
\$396, \$400	11	17.0	41.4	75.6
\$420, \$460, \$462, \$468	5	17.8	59.2	58.6
\$480, \$483, \$500, \$520	5 ³	14.0	73.2	40.8
\$546, \$560, \$572, \$650	5 ³	26.8	100.0	26.8

¹Based on State reports of average monthly employment of workers covered by unemployment compensation laws.

²Includes Utah, with a normal maximum of \$20, now raised to \$25 because of rise in cost-of-living index.

³Includes Michigan, Nevada and Connecticut, where only claimants with maximum number of compensable dependents are eligible for amount specified.

Source: Reticker, Ruth, "State Unemployment Compensation Laws of 1945," Social Security Bulletin, July 1945, p. 9.

TABLE NO. 26

**Maximum Weekly Benefit Amount and Maximum Duration of
Benefits Under State Unemployment Compensation Laws
Sept. 30, 1945, and Average Monthly Employment
of Workers Covered by Such Laws, 1944,
For Seven States**

State	Maximum Weekly Benefit	Maximum Weeks of Benefits for Total Unemployment	Average Monthly Employment	
			Number (thousands)	Percent of Total
Total, 51 States			29,766.9	100.0
Florida ¹	15	16	335.1	1.1
Idaho ¹	18	17	67.9	.2
Montana	15	16 ²	72.1	.2
Utah ³	17-25	27.0-18.4	99.1	.3
Vermont	20	20 ²	56.7	.2
Washington	25	26	569.7	1.9
Wyoming	20	20	39.7	.1
Montana—1945	15	16 ²	71.0	
—1946 (to June 30)	15	16 ²	73.0	

¹No change in 1945.

²Uniform duration for all eligible claimants.

³Weekly benefit adjusted with cost of living; normal maximum, \$20, 23 weeks uniform. Present maximum, \$25, 18.4 weeks. Maximum, if cost of living fell below 98.5, \$17, 27 weeks.

Source: Social Security Administration.

TABLE NO. 27

**Minimum Weekly Benefit and Qualifying Wages Therefor, and Potential
Annual Benefits and Duration of Benefits for Claimants Who Meet
Minimum Qualifying Requirements, by State, September 30, 1945¹**

State	Minimum Weekly Benefit	Minimum of Benefits for Total Unemployment	Potential Annual Benefits	Qualifying Wages for Minimum Benefits ²		
				High Quarter	Base Period	Formula
Florida*	5	7+	\$ 37.50	\$ 37.50	\$150.00	30X
Idaho*	5	7	35.00	78.00	140.00	28-52X
Montana	5	16 ³	80.00	37.50	150.00	30X
Utah	5-7 ⁴	23-16+	115.00	37.50	150.00	30X
Vermont	6	20 ³	120.00	50.00	180.00	30X
Washington	10	12	120.00	75.00	300.00	Flat
Wyoming	7	5+	40.00	70.00	175.00	25X

*No change in 1945.

¹All 1945 amendments effective except: Connecticut, new benefit schedule effective Jan. 1, 1946; Illinois, effective April 1, 1946.

²Where high-quarter wages are not specified in the law, base-period wages are divided by the number of quarters in which they must be earned. Formula in terms of multiple of weekly benefit amount indicated.

³Potential duration of benefits is uniform for all eligible claimants.

⁴Provision effective July 1, 1945, raises weekly benefit amount 20 percent to next higher dollar when cost-of-living index reaches 125; since total annual benefits are not increased, duration would be correspondingly decreased.

Source: Reticker, Ruth, State Unemployment Compensation Laws of 1945, Social Security Bulletin, July 19, 1945, p. 9.

TABLE NO. 28

Average Weekly Benefit Payment for Total Unemployment
July-September, 1945

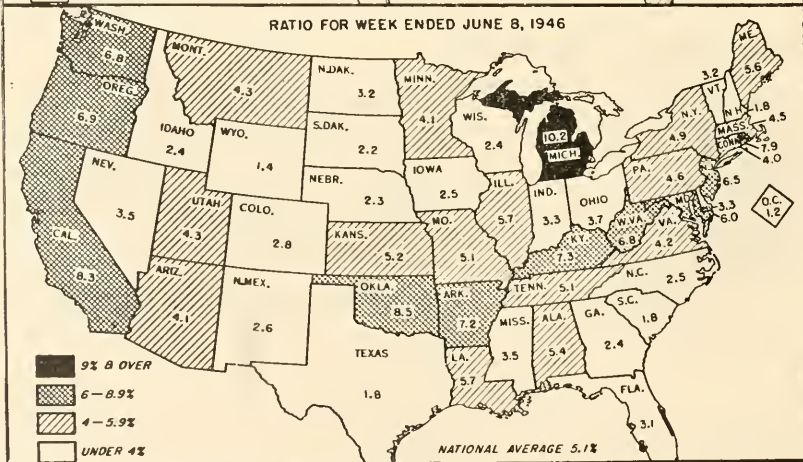
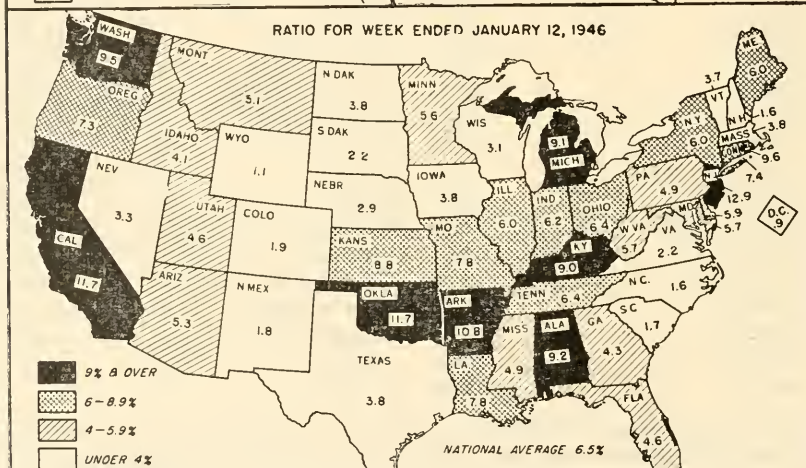
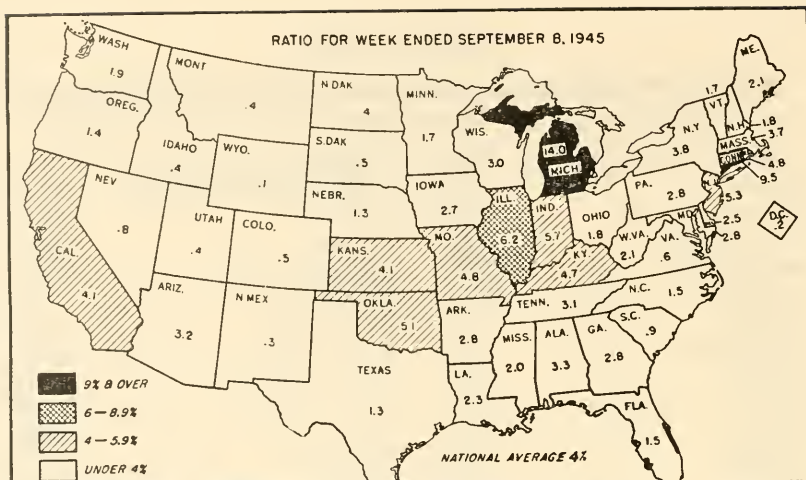
United States	\$ 18.44	Montana	\$ 12.16
Alabama	15.65	July, 1945-June 30, 1946	13.49
Alaska	15.55	Nebraska	15.23
Arizona	14.77	Nevada	16.92
Arkansas	12.71	New Hampshire	13.88
California	19.31	New Jersey	19.50
Colorado	13.45	New Mexico	12.06
Connecticut	20.37	New York	19.66
Delaware	16.76	North Carolina	12.20
District of Columbia	17.83	North Dakota	12.58
Florida	13.83	Ohio	17.02
Georgia	15.02	Oklahoma	17.51
Hawaii	22.25	Oregon	16.41
Idaho	12.39	Pennsylvania	17.83
Illinois	18.92	Rhode Island	17.35
Indiana	17.12	South Carolina	11.37
Iowa	16.36	South Dakota	11.16
Kansas	15.39	Tennessee	12.78
Kentucky	12.25	Texas	14.02
Louisiana	16.37	Utah	23.08
Maine	16.45	Vermont	15.84
Maryland	19.30	Virginia	11.92
Massachusetts	19.33	Washington	20.84
Michigan	20.25	West Virginia	16.00
Minnesota	17.06	Wisconsin	17.40
Mississippi	12.57	Wyoming	17.19
Missouri	17.06		

Source: Social Security Administration.

Text for Map on Facing Page

Unemployment, as represented by the ratio of continued claims during the week of June 8 to covered workers in 1945, was 5.1 per cent, in comparison with 5.2 per cent in May and 5.6 per cent in April. The ratio in Michigan jumped from 6.6 to 10.2 per cent, the highest in the nation. Only eight other states showed increases. In California, Rhode Island, Kentucky, and Arkansas the ratios were 8.3, 7.9, and 7.2 per cent, respectively, but each represented a decline from May. On the other hand, in five other jurisdictions—the District of Columbia, New Hampshire, South Carolina, Texas, and Wyoming—the ratios were less than two per cent.

—From Employment Security Activities, June, 1946, page 10



MONTANA—Week ended Sept. 28, 1946 — .9%
(Text, previous Page)

TABLE NO 29

Maximum Waiting Period for Benefit Year, by State

State	Provision in Original Law	Provision in Laws in 1944	Provision in Laws After 1945 Amendments ¹
Florida	3 weeks in 26 weeks ²	1 week in benefit year	1 week in benefit year
Idaho	3 weeks in 52 weeks ³	2 weeks in benefit year	2 weeks in benefit year
Montana	3 weeks in 13 weeks ⁴	2 weeks in benefit year ⁵	2 weeks in benefit year
Utah	2 weeks in 13 weeks ³	1 week in benefit year ⁶	1 week in benefit year ⁶
Vermont	3 weeks in 52 weeks ³	2 weeks in benefit year	2 weeks in benefit year
Washington	2 weeks in 13 weeks ⁷	1 week in benefit year	1 week in benefit year
Wyoming	2 weeks per employer in 13 weeks ²	2 weeks in calendar year	2 weeks in benefit year

¹All 1945 amendments effective except: California; effective Jan. 1, 1946.

²But not more than 5 weeks within 65 consecutive weeks.

³No provision for maximum waiting period beyond initial waiting period.

⁴But not more than 3 additional weeks during ensuing benefit year.

⁵1 additional waiting period may be required after reemployment for 13 or more weeks, but not more than 4 weeks within the benefit year.

⁶Waiting period not required for benefit claims with respect to last 4 weeks of a benefit year.

⁷Maximum of 5 weeks in 5 consecutive quarters.

Source: Social Security Administration.

TABLE NO. 30

Maximum Weekly and Annual Unemployment Benefits, Maximum Duration of Benefits, and Qualifying Wages for Maximum Benefits, for Seven States, September 30, 1945¹

State	Maximum Weekly Benefit	Maximum Weeks of Benefits for Total Unemployment	Maximum Annual Benefits	Qualifying Wages for Maximum Benefits ²			
				High Quarter		Base Period	
				Amount	Fraction	Amount	Fraction
Florida*	\$ 15	16	\$240.00	\$360.01	1/20-1/25	\$960.00	1/4
Idaho*	18	17	306.00	585.01	1/15-1/32	1,224.00	1/4
Montana*	15	16	240.00	350.01	1/25	450.00 ⁴	Uniform
Utah	17-25 ³	27.0-18.4 ⁶	460.00	380.01	1/20	600.00 ⁴	6
Vermont	20	20	400.00	500.00	1/19-1/25	600.00 ⁴	Uniform
Washington	25	26	650.00	550.00 ⁵	5	2,200.00	3
Wyoming	20	20	400.00	390.01	1/20	1,560.01 ⁷	1/4 ⁷

*No change in 1945

¹All 1945 amendments effective except: Connecticut, new benefit schedule effective Jan. 1, 1946; Wisconsin, effective Jan. 1, 1946.

²The amount of high-quarter wages required for the maximum benefit amount varies with the rounding provision as well as with the fraction of high-quarter wages. Rounding is indicated by odd cents regardless of State practice in adding or dropping cents. When 2 amounts are given, the higher amount is required for maximum duration at maximum weekly benefits; the lower amount for maximum weekly benefits. In statement of maximum base period qualifying wages, rounding of benefit duration to dollar amounts is ignored. Odd amounts given are from tables of duration. The fraction of high-quarter wages applies between the minimum and maximum amounts. Where the State law utilizes a weighted table for the benefit formula, the fractions are approximate. Where dependents' allowances are provided, the fraction applies to the basic benefit.

³Maximum potential benefits according to table of base-period earnings.

⁴The potential duration is uniform for all eligible claimants, and the only requirement for base-period wages is a multiple of the weekly benefit amount specified in the eligibility provision.

⁵Utilizes annual rather than high-quarter formula; amount shown is 1/4 of the annual wage required.

⁶Weekly benefit amounts adjusted with cost-of-living index; statutory maximum \$20 reduced 20 percent when index is 98.5 or below, increased 20 percent when index is at or above 125; maximum annual benefits not affected; therefore if weekly amount is decreased or increased, weeks increased or decreased from normal uniform duration of 23 weeks.

⁷Fraction of base-period wages rounded to nearest \$20.

Source: Reticker, Ruth, State Unemployment Compensation Laws of 1945, Social Security Bulletin, July, 1945, p. 9.

TABLE NO. 31

**Average Weekly Number of Beneficiaries, by State for 14 States,
September, 1945; and High and Low Month Since
Beginning of the Program¹**

(Data Reported by State Agencies, Corrected to Oct. 25, 1945)

State	September 1945, Average Weekly Number of Beneficiaries	High Month		Low Month	
		Number	Date	Number	Date
Total (51 states).....	437,080 ²	1,268,566 ³	June, 1940	56,354 ³	Nov., 1943
Connecticut	19,405	60,022	March, 1938	407	Oct., 1943
Vermont	434	4,850	March, 1938	44	April, 1945
New York	85,852	286,609	July, 1940	10,778	Oct., 1944
Maryland	17,367	44,414	March, 1938	613	Oct., 1944
Florida	3,514	20,656	Aug., 1940	532	April, 1944
Iowa	4,020	22,248	March, 1939	196	Oct., 1944
New Mexico	33	3,798	March, 1939	9	Aug., 1944
Colorado	220	11,364	March, 1939	57	April, 1945
Idaho	156	10,154	March, 1939	15	Nov., 1943
Montana ⁴	112	10,779	March, 1940	41	Oct., 1943
Utah	251	8,005	March, 1938	50	July, 1943
Wyoming	8	3,842	March, 1940	0	Sept., 1943
Nevada	98	2,695	March, 1940	29	Oct., 1944
Washington	5,021	26,082	March, 1940	133	Sept., 1943

¹For years prior to 1940 data are average weekly number of payments during month.

²Excludes California, Indiana, and Michigan data not reported.

³U. S. totals not comparable prior to July, 1939.

⁴August, 1946—893 beneficiaries. No change in high and low months after Sept., 1945.

Source: Employment Security Activities, October, 1945, p. 11.

2.—CONTRIBUTIONS

Included in the administrative function of the Commission is the collecting of the state unemployment compensation tax on the wages of employees of firms covered by the act, firms employing one-or-more workers in commercial and industrial brackets.

The accounting section, under a chief accountant, is charged with the collection of the tax, 2.7 per cent on all wages paid up to and including \$3,000 per year. For the fiscal year of 1945-46, the amount of taxes collected (called contributions under the Act) totaled \$3,781,081, the largest amount ever collected in a fiscal year since the beginning of the program. The reason for the high payments despite the lowering of unemployment caused by the war is that high wages and overtime made for higher collections.

Collections by the Commission since the beginning of the program have totaled \$27,733,814.13, ending with June 30, 1946. Collections for the third quarter of 1946 on wages paid in the second quarter indicate that for the entire year of 1946, more

than \$4,000,000 will go into the trust fund for the payment of benefits.

All monies collected under the tax provision of the unemployment compensation act are deposited with the United States Treasury in the Unemployment Compensation Trust Fund, and such monies cannot be used for other than payment of benefits. As of September 30, this fund showed reserves for Montana of more than \$21,000,000.

The highest calendar year collections previous to 1946 reached \$3,531,996.87 in 1945. As previously mentioned, collections for 1946 on the basis of those made for the first two quarters of the year, more than \$1,800,000, will reach \$4,000,000, establishing a new high.

Contact with employers is maintained through quarterly reports to the Commission by mail on wages paid, including a computation of the tax due and payment of that tax. Further contact with employers is maintained by a corps of field advisors stationed in eight cities, each advisor covering a prescribed number of counties. At least once a year, the field advisors attempt to contact each employer to explain provisions of the law, make adjustments in tax collections if any, to collect delinquent taxes, and to perform any other service possible for employers.

Montana has a low percentage of delinquency in the payment of the tax, in dollar amounts hardly mentionable. Usually only small firms are delinquent, and much of this delinquency results from ignorance of the regulations of the Commission in regard to the filing of reports. Montana employers are well-posted on provisions of the law, and make it a habit to report contributions and pay them within the limits of the law, 30 days following the close of the quarter in which the tax falls.

Interest on the trust fund, paid to the state by the federal government, has amounted in the 10 years of activity to more than \$1,500,000. This money is part of the reserve of the Commission.

The total net income of the state from the contributions of Montana employers and the interest earned through June 30, 1946 was nearly \$29¼ million.

Following is a tabulation of collections by calendar years: (See Table No. 32 for monthly collections as certified by treasury receipts).

COLLECTIONS BY CALENDAR YEARS

Year	Amount (To June 30, 1946)
1936 (Collected by Int. Rev.)	\$ 539,593.54
1937	1,829,009.85
1938	2,239,896.81
1939	2,466,883.39
1940	2,791,867.45
1941	2,978,308.76
1942	3,393,332.40
1943	3,513,421.55
1944	3,498,313.22
1945	3,531,986.87
1946	951,200.29

Total Contributions Collected\$27,733,814.13

Interest on Fund\$1,520,237.25

Employers' Penalty & Interest 7,191.74

Outstanding Benefit Checks 1,951.00

1,529,379.99

Total Net Income\$29,263,194.12

Benefits Paid (July 1, 1939 to June 30, 1946) 8,830,451.10

FUND BALANCE as of June 30, 1946.....\$20,432,743.02

Supplemental Statement, July 1 to September 30, 1946

Balance in Fund June 30, 1946 \$20,432,743.02

RECEIPTS:

Contributions, Interest
and Penalties:

July\$897,449.49

August 170,029.26

September 11,487.60

\$1,078,966.35

Interest on Fund 95,902.27

Income for Period \$ 1,174,868.62

TOTAL RECEIPTS Plus June Balance \$21,607,611.64

DISBURSEMENTS:

Net Benefits Paid

July \$70,436.00

August 49,154.00

September 34,771.00

\$ 154,361.00

BALANCE IN FUND on September 30, 1946 \$21,453,250.64

TABLE NO. 32

COMPARATIVE STATEMENT OF NET COLLECTIONS

Deposited With State Treasurer as Shown By Official Receipts

Month	Year—	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
January	\$	\$ 251,364.22	\$ 315,223.63	\$ 444,479.10	\$ 447,146.40	\$ 477,146.40	\$ 266,647.61	\$ 331,025.55	\$ 381,271.95	\$ 605,887.70	\$ 368,215.71
February		48,167.62	423,670.65	238,815.12	302,370.25	302,370.25	515,592.33	568,640.68	472,592.89	243,288.06	493,088.86
March		17,564.78	15,689.82	19,136.89	25,577.16	25,577.16	14,951.95	12,661.93	8,299.42	5,109.94	7,926.84
1st Quarter Totals	\$	\$ 317,096.62	\$ 754,584.10	\$ 702,431.11	\$ 775,093.81	\$ 797,191.89	\$ 912,328.16	\$ 862,164.26	\$ 854,285.70		859,231.41
April		233,383.58	389,209.54	391,038.88	198,298.82	300,195.44	651,773.79	338,924.24	607,280.01		461,367.18
May		382,247.42	222,843.01	210,796.49	447,427.45	445,593.29	221,861.79	530,743.31	270,550.78		492,943.03
June		11,115.21	16,762.85	17,289.78	23,406.95	18,568.92	7,453.85	7,152.79	7,197.15		6,104.87
2nd Quarter Totals	\$	\$ 626,846.21	\$ 628,815.40	\$ 619,125.15	\$ 669,133.22	\$ 764,357.65	\$ 881,061.43	\$ 876,320.34	\$ 885,027.94		960,415.08
July		138,326.80	309,412.65	281,512.77	427,319.08	212,698.24	527,406.69	302,611.81	618,428.87		666,171.16
August		924,020.40	309,714.78	414,497.51	232,310.51	499,234.95	264,146.41	580,532.99	273,480.77		398,993.39
September		208,822.72	11,959.70	19,417.01	12,137.09	15,927.04	14,769.78	9,464.29	7,176.75		13,725.80
3rd Quarter Totals	\$	\$1,271,169.92	\$ 631,087.13	\$ 715,427.33	\$ 671,766.68	\$ 727,860.23	\$ 806,322.88	\$ 892,629.09	\$ 899,086.39	\$ 905,412.18	1,078,790.35
October		131,208.72	410,672.30	366,688.30	244,885.85	393,830.82	318,755.97	347,022.16	361,251.05		603,095.75
November		245,979.75	248,234.70	261,995.56	467,419.60	374,030.73	607,029.34	540,036.47	515,309.43		283,858.87
December		149,143.47	8,935.39	18,635.57	16,351.91	26,184.55	12,180.94	10,236.72	9,027.16		13,067.86
4th Quarter Totals	\$	\$ 526,331.94	\$ 667,842.39	\$ 647,319.43	\$ 728,657.36	\$ 794,046.10	\$ 937,966.25	\$ 897,295.35	\$ 885,587.64	\$ 900,022.48	
Yearly Totals	\$	\$1,797,501.86	\$2,242,872.35	\$2,746,146.26	\$2,721,980.30	\$2,966,133.36	\$3,305,838.67	\$3,583,314.03	\$3,523,158.63	\$3,544,748.30	
To R. R. Ret. Board	\$	\$—340,885.06	\$—473,893.58	\$—234,869.45							
Net Yearly Totals	\$	\$1,456,616.80	\$1,768,978.77	\$2,511,276.81	\$2,721,980.30	\$2,966,133.36	\$3,305,838.67	\$3,583,314.03	\$3,523,158.63	\$3,544,748.30	\$1,078,790.35
Total Net Collections through Sept. 30, 1946										\$28,280,482.51	

FINANCIAL STATEMENT

July 1, 1945 to June 30, 1946

Balance in Fund June 30, 1945\$17,350,570.03

RECEIPTS:

Contributions\$3,623,046.86

Interest on Fund 349,286.13

3,972,332.99

Total Income\$21,322,903.02

DISBURSEMENTS:

Benefits Paid\$ 891,248.00

Less Benefits Refunded 1,088.00

Net Benefits Paid 890,160.00

BALANCE IN FUND June 30, 1946.....\$20,432,743.02

Supplement, July 1 to September 30, 1946

Fund Balance on June 30, 1946\$20,432,743.02

Collections, July 1 to Sept. 30, 1946 1,078,966.35

Interest on Fund 95,902.27

TOTAL NET INCOME \$21,607,611.64

Net Benefits Paid During Period 154,361.00

FUND BALANCE as of Sept. 30, 1945 \$21,453,250.64

TABLE NO. 33
Average Employer Contribution Rates In Experience-Rating States, 1940-45
 (Based on Data Reported by State Agencies, Corrected to Nov. 6, 1945)

State	Date Experience Rating Became Effective	Average Employer Contribution Rate (percent)						Including War-Risk Contributions ²	
		Excluding War-Risk Contributions ¹						1943	1944
		1940, 4 States	1941, 17 States	1942, 34 States	1943, 40 States	1944, 42 States	1945, 45 States ³		
Total		2.25	2.17	1.81	1.77	1.8	³		
Alabama ⁴	April, 1941		2.08	1.59	1.25	1.0	.8 ⁵	1.42	1.2
Arizona	Jan., 1942			2.51	2.33	2.1	1.9		
Arkansas	April, 1942			2.47	2.16	2.0	2.1 ⁵		
California	Jan., 1941		2.48	2.45	2.28	2.1	2.1		
Colorado ⁶	Jan., 1942			1.98	1.92	1.8	1.6		
Connecticut	April, 1941		2.29	2.09	2.09	2.1	³		
Delaware	Jan., 1942			.98	.79	.7	.6		
Dist. of Columbia	July, 1943				1.71	.4	.4 ⁷		
Florida ⁴	Jan., 1942			2.27	2.24	2.1	2.0	2.33	³
Georgia	Jan., 1942			2.07	2.11	2.0	1.9		
Hawaii	April, 1941		1.65	1.54	1.38	1.4	1.1 ⁵		
Idaho	July, 1943				2.53	2.4	2.1 ⁷		
Illinois ⁴	Jan., 1943				1.36	1.2	1.0	1.53	1.7
Indiana ⁶	Jan., 1940	2.70	2.29	1.91	1.97	1.8	1.6		
Iowa ⁴	Jan., 1942			1.85	1.92	1.7	1.4	2.20	2.4
Kansas	Jan., 1941		2.07	2.20	2.09	2.1	2.1		
Kentucky ⁶	Jan., 1941		2.68	2.32	2.18	2.0	1.9		
Louisiana	Oct., 1945						³		
Maine ⁴	July, 1943				2.50	2.3	2.1 ⁷		
Maryland	July, 1943				2.01	1.6	1.2 ⁷	2.49	2.3
Massachusetts	Jan., 1942			1.52	1.28	.9	.6		
Michigan ⁴	Jan., 1942			1.69	1.57	1.2	³		
Minnesota ⁴	Jan., 1941		2.05	1.95	1.56	1.6	1.6	2.29	2.3
Missouri ⁴ ⁶	Jan., 1942			1.52	1.57	1.6	1.5	1.68	2.0
Nebraska ⁶	Jan., 1940	2.08	1.38	1.56	2.02	1.8	1.3		
Nevada	Jan., 1945						³		
New Hampshire	Jan., 1941		2.54	2.38	2.21	1.8	1.7		
New Jersey	Jan., 1942			1.64	1.87	1.9	1.7		
New Mexico	Jan., 1942			2.17	2.17	2.0	1.9		
New York	July, 1945						³		
North Carolina ⁶	Jan., 1943				2.65	2.4	2.1		
North Dakota	Jan., 1942			1.95	1.86	1.7	1.5		
Ohio ⁴ ⁶	Jan., 1942			1.25	1.48	1.5	³		1.7
Oklahoma ⁴	Jan., 1942			1.69	1.58	1.4	.8	1.80	1.5
Oregon	July, 1941		2.65	2.41	2.31	2.2	2.0 ⁷		
Pennsylvania	Jan., 1944					1.2	1.4		
South Carolina ⁶	Jan., 1942			1.98	1.74	1.8	1.5		
South Dakota ⁶	Jan., 1940	2.65	1.65	1.57	1.16	.9	.9		
Tennessee	July, 1944					2.6	2.2		
Texas	Jan., 1941		1.60	1.56	1.42	1.2	.9		
Vermont	Jan., 1941		2.46	2.10	2.38	2.0	1.8		
Virginia	Jan., 1941		1.75	1.59	1.50	1.2	1.1		
West Virginia	Jan., 1941		2.42	2.14	1.76	1.7	1.4		
Wisconsin ⁴ ⁶	Jan., 1938	1.70	1.49	1.55	1.78	1.6	1.0	2.53 ⁹	2.8 ⁹
Wyoming ⁶	Jan., 1942			2.66	1.93	1.7	1.4		

¹Data for 1940-43 represent reported contributions due as a percent of taxable wages; 1944 and 1945 data are preliminary estimates; average rate for States with rates effective April 1 or July 1 adjusted to calendar-year basis for 1944 but not for 1945 (see footnotes 5 and 7). Average rates for given year do not include effect of employee contributions or voluntary contributions from employers collected during that year.

²Rates represent ratio of employer contributions to taxable wages reported by State agency. Rates are shown for 1943 and 1944 only for those States with war-risk provisions. Data for 1945 are not available.

³Not available.

⁴State law provides for war-risk contributions beginning in 1943 except for Ohio where war-risk contributions begin in 1944.

⁵Average rate for rate year which is the 12-month period beginning with April.

⁶State law permits voluntary contributions.

⁷Average rate for rate year which is the 12-month period beginning with July.

⁸In Michigan the standard rate is 3 percent; in all other States it is 2.7 percent.

⁹Includes 0.5 percent special postwar reserve contributions.

NOTE—Six States, Alaska, Mississippi, Montana, Rhode Island, Utah, and Washington have no provision for experience rating.

Source: Employment Security Activities, October, 1945, p. 17.

TABLE NO 34

Tax Collections¹ Under State Unemployment Compensation Laws, by State, Fiscal Years 1936-45, for 14 States

(In Thousands)

State	1936-37 ²	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45
United States*	\$292,916	\$748,814	\$803,008	\$853,955	\$888,450	\$1,093,900	\$1,217,737	\$1,353,272	\$1,251,958
Colorado	2,295	4,036	4,953	4,891	4,662	5,242	6,522	5,509	4,869
Connecticut	8,400	12,153	15,678	17,836	21,793	23,966	28,927	31,828	30,004
Florida	.....	6,996	6,109	6,477	7,290	8,347	10,721	14,136	14,033
Idaho	899	1,597	1,962	1,960	2,058	2,453	3,887	2,762	2,762
Iowa	2,750	7,000	8,097	7,929	7,713	9,270	8,143	11,416	12,066
Maryland	3,000	9,800	11,524	12,434	13,806	19,533	27,785	27,360	24,172
Montana	.....	3,051	2,682	2,688	2,845	3,080	3,540	3,525	3,526
Nevada	.....	1,029	937	922	987	1,408	3,158	2,400	1,839
New Mexico	650	975	1,418	1,393	1,426	1,639	1,849	1,820	1,782
New York*	50,000	90,800	119,280	132,254	130,463	162,174	192,231	221,565	226,879
Utah	1,113	2,190	2,627	2,677	2,865	3,511	6,147	6,172	4,966
Vermont	656	1,274	1,506	1,328	1,585	1,874	2,028	2,308	2,047
Washington	.....	12,976	8,781	10,462	11,524	17,705	28,673	34,927	35,604
Wyoming	.....	1,632	1,410	1,256	1,230	1,337	1,564	1,367	1,229

MONTANA—1945-46

.....\$3,781,081

*United States, 1935-36, \$18,858; New York, \$6,000.

¹Amounts for fiscal years 1935-36 and 1936-37 represent contributions deposited with the unemployment trust fund; for the remaining years the amounts represent net collections by the State.²Only 4 States made deposits in the unemployment trust fund in fiscal year 1935-36 and 36 States in fiscal year 1936-37.

NOTE.—During the 1935-36 and 1936-37 fiscal years, amounts deposited by the States to their accounts in unemployment trust fund are equivalent to tax collections, since benefits were not payable in either of these years. For the following periods, however, the amounts of net collections is used. Net collections are here defined as gross collections less all refunds made during the year and less dishonored checks. These refunds may be due to overpayments or to a review of employer tax liability which finds the employer to be exempt from the unemployment tax.

Source: Program Division, Bureau of Employment Security, Social Security Board, October 12, 1945.

LOOKING AHEAD AT UNEMPLOYMENT INSURANCE ADMINISTRATION

(Unemployment Insurance—Freedom From Want)

By

R. G. WAGENET

Director, Bureau of Employment Security

Interstate Conference, San Francisco, October 16, 1946

"***** It seems to me that you can well be proud of the fact that when the war was over there was an unemployment insurance program available in this country to tide workers over their unemployment between jobs and that veterans too had a similar program to help them in their adjustment to civilian life.

"Something more important occurred than the orderly payment of benefits in unprecedented volume. Because of the unemployment insurance program, something happened in the whole process of converting from war to peace which was new in our Nation's experience. Most workers were protected by unemployment insurance. That meant that when they were laid off they were not immediately faced with complete loss of income. In getting the compensation for lack of work, there were two results: First, the worker had to apply for work at an employment office that was part of a nation-wide system of employment offices and thus became an active element in the national labor market; and second, the worker was not faced with the full force of economic pressure—purely physical needs of himself and his family—to take any job promising any income even though it might fail completely to utilize his capacities and skills. There was thus the exercise of a new freedom—perhaps one that is derived from the freedom from want—the freedom to find a job offering the possibility of work satisfaction and permanent attachment to an industry. I do not think it needs pointing out that with this freedom of the worker is also to be found a freedom of the employer—not so new—to select workers best qualified and promising best performance and least dissatisfaction. Dissatisfaction on the part of either worker or employer means high turnover, low productivity, high costs.* * * * *

TABLE NO. 35

Collections, Benefits, and Status of Unemployment Compensation Reserve Fund As of Sept. 30, 1945, for 13 States

State	Cumulative Collections and Interest	Cumulative Net Benefits Paid	Funds Available for Benefits	Benefits Paid for Each \$1.00 Collected (cents)	¹ Benefits
United States	\$9,264,656,906	\$2,300,085,891	\$6,964,571,099	29.8	67.2
Colorado	45,715,973	11,048,355	34,667,617	32.3	111.6
Connecticut	210,180,307	33,588,031	176,592,275	18.4	70.8
Florida	79,494,213	22,520,560	56,973,657	34.0	80.8
Idaho	21,841,932	7,135,526	14,706,404	39.8	104.7
Iowa	79,562,122	17,801,093	61,761,028	27.3	82.1
Maryland	163,478,521	35,346,272	128,132,248	24.1	56.3
Montana	26,359,634	7,955,271	18,404,362	42.0	136.8
New Mexico	13,800,539	3,781,384	10,019,160	35.5	97.9
New York	1,455,113,666	446,882,224	1,008,231,438	34.5	51.0
Utah	34,573,025	8,722,523	25,850,522	28.6	66.1
Vermont	15,801,187	3,337,639	12,463,561	24.7	75.0
Washington	176,804,536	25,198,546	151,605,991	16.8	60.7
Wyoming	11,348,858	3,396,515	7,952,351	40.6	65.7

MONTANA

(as of June
30, 1946)

\$29,263,194.12 \$8,830,451.10 \$20,432,743.02

30.1

121.6

¹Under provisions in State laws enacted by July 31, 1945.

Source: Social Security Administration.

3.—ADMINISTRATIVE COSTS

Costs of administration of the Montana unemployment compensation act and Title V of the Servicemen's Readjustment Act of 1944, readjustment allowances, for the fiscal year were nearly twice those for the previous fiscal year. Nearly \$260,000 was expended in 1945-46 for these costs as compared to nearly \$138,000 for the previous fiscal year.

A detailed breakdown of the costs follows:

Report of Administrative Expenditures Fiscal Year July 1, 1945 to June 30, 1946

Category	Expenditures	Comparison— Fiscal 1944-45
Personal Services	\$178,548.34	\$ 90,669.57
Supplies	14,945.69	5,879.28
Communications	2,601.01	1,073.67
Travel	15,608.73	8,163.30
Rent of Premises*	21,633.00	19,818.00
Equipment	9,431.80	3,711.32
Other Current Expenses	16,377.22	8,561.29
TOTAL EXPENDITURES	\$259,145.79	\$137,876.43

*This sum includes rentals paid for local offices of the United States Employment Service out of budget funds supplied by the federal government for rent, heat, light, water and other incidental expenses for the local offices.
(The above total figures include \$4,281.55 for 1945-46 and \$2,028.26 for 1944-45 which were the Commission's share of the Joint Merit System expense. The State Board of Health and the State Board of Public Welfare also share in the system's expenses.)

Source of Funds—1945-46

Social Security Administration	\$178,733.43
Veterans Administration	84,670.00

Total	\$263,403.43
Unexpended Funds from Previous Year	14,067.21

Total	\$277,470.64
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Reconciliation:

Funds Actually Expended	\$259,145.79
From Public Health and Public Welfare	
Boards for Merit System Expenses.....	4,257.64
Unexpended Funds from Previous Year....	14,067.21
Total	\$277,470.64

The main reason for the nearly double costs was that with the return of thousands of Montana veterans and workers fol-

lowing V-J day, the work of the Commission was suddenly greatly increased making necessary addition of adequate personnel to take care of the increased load. Further, in February of 1946, the Commission took over from the payrolls of the U. S. Employment Service 30 persons, adding more to the overall costs, in order to facilitate the taking of claims.

The establishment of 14 new claims offices, six of them Commission offices, and the balance USES offices for which the Commission furnished rental and other funds, also added to the need for more funds.

All other costs increased in proportion to the increase in the work of the Commission, as the above table will show. However, more than \$16,000 was left over from budget amounts allowed the Commission by the Social Security Administration and Veterans Administration which was returned to the two agencies for re-allotment for the fiscal year 1946-47. In other words, the Commission did not spend all of the money allotted to it by the two federal agencies, which sum will be deducted from the budget monies allowed for the fiscal year 1946-47. The Commission has shown each year a return of unexpended funds, the difference between budget allowances and actual expenditures.

Personal Services Largest Item

Personal services is always the largest item in the expenditures. This was particularly true the last year because the number on the payroll of the Commission increased from about 40 in the summer of 1945 to around 150 in the winter.

Rent of premises is the only item that has not increased in proportion to the increase in claims load because many of the new offices established were donated by the counties in which they were located and rentals remained generally the same.

In conclusion, the claims load increased more than 10 times but expenses increased just short of twice the previous year's expenses. No appreciable increase in the contribution collection costs occurred in that time, however.

POPULATION OF MONTANA CITIES OVER 5,000

	1930	1940	1941	1946 (EST)
Great Falls	28,822	29,928	30,900	36,000
Miles City	7,175	7,313	6,600	7,800
Anaconda	12,494	11,004	11,000	12,100
Lewistown	5,358	5,874	5,300	6,400
Kalispell	6,094	8,245	7,400	9,900
Bozeman	6,855	8,665	8,000	10,400
Havre	6,372	6,427	5,800	8,000
Helena	11,803	15,056	13,500	16,700
Missoula	14,657	18,449	16,000	21,500
Livingston	6,391	6,642	6,000	7,500
Butte	39,352	37,081	33,400	37,000
Billings	16,380	23,261	21,000	26,200

TABLE NO. 37

Ratio (percent) of Administrative Expenditures¹ to Contributions Collected² and Benefits Paid³ Under State Unemployment Compensation Laws, by State, for Selected Calendar Years

State	Administrative Expenditures as Percent of— Contributions Collected			Benefits Paid		
	1940	1941	1943	1940	1941	1943
Total	7.9	7.1	2.6	12.9	20.7	43.1
Alabama	7.6	7.2	3.0	15.6	25.2	23.6
Arizona	13.5	10.1	3.0	21.4	28.8	202.5
Arkansas	14.8	15.8	5.0	16.7	27.6	67.7
California	6.2	5.6	1.6	7.3	9.9	36.8
Colorado	10.7	9.5	2.6	11.9	22.1	95.8
Connecticut	7.4	6.1	2.1	27.4	54.5	113.9
Delaware	10.1	8.3	8.8	28.8	44.2	99.8
District of Columbia	7.8	4.8	4.4	21.3	14.5	65.2
Florida	10.4	9.5	2.9	10.6	14.0	42.6
Georgia	11.4	10.2	3.5	22.6	35.2	49.2
Idaho	14.2	13.2	3.8	13.8	20.1	94.7
Illinois	6.2	6.5	3.6	9.9	18.3	26.4
Indiana	8.2	7.1	2.5	18.6	32.1	35.5
Iowa	9.5	8.5	2.5	18.1	29.3	47.6
Kansas	11.5	11.9	2.3	26.3	30.6	36.9
Kentucky	8.4	7.0	4.2	19.0	34.6	57.2
Louisiana	10.3	9.1	2.3	12.2	12.7	34.2
Maine	12.3	9.2	2.1	14.4	29.8	47.2
Maryland	7.1	5.1	1.5	13.4	17.4	47.8
Massachusetts	8.7	7.1	5.1	10.7	18.8	68.3
Michigan	6.1	5.1	2.4	11.5	22.4	45.4
Minnesota	10.9	12.8	4.0	13.8	20.0	53.5
Mississippi	18.3	14.9	3.8	21.3	30.5	57.3
Missouri	8.7	9.0	4.0	23.7	39.0	35.0
Montana	11.6	11.2	3.8	10.0	13.1	122.7
Nebraska	15.6	21.8	3.3	23.0	34.4	79.8
Nevada	19.4	17.6	3.0	16.3	23.3	214.6
New Hampshire	13.0	11.6	3.8	15.0	32.8	46.7
New Jersey	6.3	5.1	2.4	19.2	20.8	35.0
New Mexico	15.3	12.6	6.2	17.7	25.8	393.1
New York	6.9	6.3	2.4	8.9	13.7	27.1
North Carolina	10.6	10.1	3.0	26.2	34.5	91.7
North Dakota	26.7	31.6	10.1	37.2	48.0	195.2
Ohio	5.9	5.2	2.7	14.1	31.3	112.0
Oklahoma	11.8	11.5	3.7	19.7	29.5	55.1
Oregon	11.3	10.6	2.4	18.5	36.6	125.7
Pennsylvania	7.5	6.4	2.2	14.2	26.7	65.1
Rhode Island	6.9	5.6	2.0	8.7	20.9	22.1
South Carolina	13.0	10.0	5.4	24.3	36.9	58.4
South Dakota	17.8	24.2	10.7	51.5	56.8	204.5
Tennessee	12.0	10.1	2.6	16.4	23.6	23.6
Texas	10.8	15.8	3.1	24.1	44.0	112.2
Utah	11.2	11.3	2.5	18.6	23.8	166.6
Vermont	17.2	13.8	5.0	25.3	52.2	104.2
Virginia	9.8	9.6	4.1	16.7	32.3	52.9
Washington	9.1	9.1	2.0	10.4	23.3	190.5
West Virginia	8.8	7.3	3.1	23.3	28.2	41.0
Wisconsin	9.5	8.8	1.9	25.9	40.5	56.5
Wyoming	16.2	14.4	6.3	15.5	28.9	891.9
Alaska	12.0	9.3	3.1	13.3	29.4	184.5
Hawaii	8.3	6.5	4.3	57.4	93.7	357.1

Montana (1945-46) 6.8

29.1

NOTE: Ratios for 1940 and 1941 are not strictly comparable with ratios for 1943.

¹Administrative expenditures for 1940 and 1941 comprise all unemployment compensation and employment service administrative expenditures, including Federal and State Wagner-Peyser funds and miscellaneous State funds. For 1943 they comprise expenditures of State employment security agencies plus only the value (partly estimated) of the claims-taking services rendered by the U. S. Employment Service. Data for 1942 are omitted since no estimates of the value of U. S. Employment Service claims-taking services are available.

²Represents contributions, penalties and interest from employers, and contributions from employees. Adjusted for refunds and for dishonored contribution checks.

³Adjusted for voided benefit checks.

Source: Program Division, Bureau of Employment Security, Social Security Board, March 1, 1944.

TABLE NO. 38

Paid Civilian Employment in the Executive Branch of the Federal
Government by States¹ and Agency, April 1, 1945
(Continental United States)

	Grand Total	Percent of Grand Total	War Agencies				Post Office Department	All Other Depart- ments and Agencies
			Total	War Department	Navy Department	Emergency Agencies		
Total	2,920,400	100.0	2,038,600	1,176,200	699,700	162,700	375,100	506,700
Alabama	53,000	1.8	39,500	37,200	300	2,000	5,100	8,400
Arizona	19,400	.7	12,100	11,300	100	700	1,200	6,100
Arkansas	25,300	.9	16,800	15,000	500	1,300	4,200	4,300
California	313,400	10.7	262,800	116,600	134,500	11,700	21,000	29,600
Colorado	27,600	.9	17,600	15,900	100	1,600	3,600	6,400
Connecticut	11,900	.4	5,200	1,000	1,800	2,400	4,700	2,000
Delaware	3,400	.1	2,200	1,800	100	300	800	400
Florida	77,300	2.6	66,600	32,500	30,500	3,600	4,800	5,900
Georgia	69,300	2.4	52,300	47,500	1,800	3,000	6,500	10,500
Idaho	9,100	.3	5,000	2,100	2,300	600	1,500	2,600
Illinois	128,300	4.4	70,000	55,900	6,900	7,200	29,300	29,000
Indiana	41,400	1.4	27,400	14,900	9,900	2,600	9,200	4,800
Iowa	17,900	.6	6,200	3,900	400	1,900	7,700	4,000
Kansas	32,000	1.1	21,200	18,900	800	1,500	6,200	4,600
Kentucky	27,100	.9	13,600	11,500	200	1,900	7,100	6,400
Louisiana	42,900	1.5	30,300	21,500	6,300	2,500	4,200	8,400
Maine	27,000	.9	21,800	2,800	18,100	900	3,000	2,200
Maryland ²	52,600	1.8	36,900	21,500	13,500	1,900	4,900	10,800
Massachusetts	111,500	3.8	89,400	40,000	44,000	5,400	14,000	8,100
Michigan	53,800	1.8	33,300	26,300	2,300	4,700	13,000	7,500
Minnesota	19,800	.7	4,600	1,700	600	2,300	8,800	6,400
Mississippi	23,600	.8	15,800	14,300	-----	1,500	3,700	4,100
Missouri	52,700	1.8	28,400	24,300	800	3,300	13,200	11,100
Montana	8,700	.3	2,900	2,300	-----	600	2,000	3,800
Nebraska	27,100	.9	18,900	11,600	6,100	1,200	4,600	3,600
Nevada	6,900	.2	4,400	2,000	2,200	200	500	2,000
New Hampshire	4,200	.1	2,000	1,300	100	600	1,600	600
New Jersey	84,200	2.9	69,800	57,800	8,700	3,300	9,600	4,800
New Mexico	15,900	.5	9,800	9,300	-----	500	1,400	4,700
New York	297,800	10.2	204,600	94,900	85,700	24,000	51,100	42,100
North Carolina	42,100	1.4	25,900	16,600	7,100	2,200	6,400	9,800
North Dakota	5,400	.2	600	100	-----	500	2,500	2,300
Ohio	109,400	3.8	76,600	65,200	4,500	6,900	18,900	13,900
Oklahoma	45,200	1.5	34,500	23,300	9,500	1,700	5,200	5,500
Oregon	17,700	.6	7,900	4,900	1,600	1,400	3,500	6,300
Pennsylvania	199,000	7.1	156,500	72,200	76,200	8,100	24,300	18,200
Rhode Island	24,100	.8	21,600	1,100	19,600	900	1,700	800
South Carolina	49,100	1.6	42,400	16,000	25,100	1,300	3,100	3,600
South Dakota	10,100	.3	4,600	4,000	-----	600	2,500	3,000
Tennessee	40,800	1.4	23,200	19,900	1,300	2,000	6,300	11,300
Texas	144,700	6.7	111,500	94,800	9,900	6,800	14,000	19,200
Utah	36,800	1.3	31,800	25,000	6,100	700	1,600	3,400
Vermont	3,000	.1	500	100	-----	400	1,500	1,000
Virginia ²	111,600	3.8	92,000	23,600	66,100	2,300	7,600	12,000
Washington	98,100	3.4	81,000	33,000	45,600	2,400	5,300	11,800
West Virginia	10,600	.4	3,600	2,100	300	1,200	4,700	2,300
Wisconsin	21,300	.7	7,200	4,300	800	2,100	8,100	6,000
Wyoming	4,700	.2	1,500	1,200	-----	300	1,000	2,200
Undistributed	5,300	.2	-----	-----	-----	-----	-----	5,300
Washington, D. C., metropolitan area	256,300	8.8	124,300	51,200	47,400	25,700	8,400	123,600

¹Partially estimated.²Excludes employment within the Washington, D. C., metropolitan area.

Source: U. S. Civil Service Commission.

TABLE NO. 39

**Amount of Government Pay Rolls for the Month of April, 1944,
by State and by Type of Governmental Unit
(in thousands of dollars) for Seven States**

State	State and Local								
	All Govern- ments	Total	All Non- school	Nonschool					Federal ²
				State	City	County	Special District	School ¹	
U. S. Total	1,044,010	406,575	237,207	63,701	120,106	37,098	9,299	169,368	637,435
Florida	21,197	5,493	3,304	947	1,822	465	70	2,189	15,704
Idaho	3,630	1,576	803	345	176	187	96	773	2,054
Montana	3,511	1,996	1,178	556	224	391	8	818	1,515
Utah	8,549	1,965	1,049	483	370	190	6	916	6,584
Vermont ³ *	1,581	1,009	462	227	154	1	5	547	572
Washington	27,395	7,617	5,054	1,427	2,156	1,185	283	2,563	19,778
Wyoming	1,696	782	413	185	104	89	34	369	914

¹Estimates of school employment, based on returns to the U. S. Office of Education's biennial survey 1941-42, are from the Bureau of Labor Statistics.

²Estimates of Federal employment, based on returns to the U. S. Civil Service Commission for the executive service and to the Bureau of Labor Statistics for the legislative and judicial services, are from the Bureau of Labor Statistics. This total differs from that shown in previous reports because of exclusion from Federal data shown in this table of civilian employees working off the continent.

³April return received subsequent to the preparation of this table indicates employment data for the State government, exclusive of legislators, are: Total number of employees, 1,982 (permanent full-time employees, 1,253; permanent part-time, 671; temporary, 58) earning a total of \$228,254. In January, 1943, there were 323 permanent part time legislative employees earning \$39,958 in the month.

*Vermont had 76 under the column "Township" following "County." The total for the United States was 7,003. State of Washington had 3 under "Township."

NOTE—Because of rounding, detail may not add to totals.

Source: U. S. Department of Commerce, Bureau of Census, Government employment, October 1944, p. 20.

4.—APPEALS

Appeal rights of claimants, as outlined below seem, in the estimation of the Commission, adequate in view of the amount of money involved, no more than \$240, and in some cases less to a minimum of \$80. The Commission provides an easy method of appeal at no cost to the claimant, further justifying the process.

Seventeen out of 39 active appeal hearings of the Commission were heard on the issue of unemployment arising out of labor disputes during the fiscal year 1945-46. A total of 46 appeals were filed, but seven of them were withdrawn.

The appeals covered civilian unemployed, veteran unemployed, and veteran self-employed claimants.

The issue of suitable work was raised in 10 hearings, ability to work, availability for work, and not employed were issues in eight cases, claim registration in five cases, self-employment in four cases (veterans), and voluntary quit in two cases.

The decisions of the appeals tribunal which hears all appeals for the Commission, and is the second line of appeal, decided for the appellants in 20 cases and for the Commission in 19 cases. The table below gives a detailed breakdown of issues and disposition of each case.

Any claimant not satisfied with determinations made on any claim may first appeal for a revision of the determination on submission of additional information which may affect his claim;

second, if he feels that he has not been treated justly as a result of a refusal to revise the original determination, he may appeal to the appeals tribunal; third, if necessary, and the claimant feels he still has a case, he may appeal for a review of the appeal to the Commission itself; and finally, he may take his appeal to the courts of the state, if he is so inclined. During the fiscal year, no cases were carried to the courts and only one to the Commission.

Every attempt is made by the appeals tribunal to allow the claimant to present his case. He may employ counsel if he wishes, but few, if any, do, or need to. Hearings are held at no expense to claimants. Relatively few claimants appeal in proportion to the number of claims filed. No claimant may be denied the right to appeal if he so desires.

TABLE NO. 40

**Appeals and Disposition in Fiscal Year 1945-1946
Civilian Unemployed; Veterans Unemployed
and Veterans Self-Employed**

Issue	Number of Cases	Appeals Sustained	DISPOSITION	
			Appeals Not Sustained	Withdrawn
Suitable Work	6	2	3	1
Voluntary Quit	2	..	2	..
Labor Dispute	15	7	6	2
Ability, Availability, Not Employed ...	5	4	1	..
Totals	28	13	12	3
Veterans Unemployed				
Suitable Work	4	2	1	1
Labor Dispute	2	2	..	..
Availability	3	1	2	..
Claim Registration	5	1	3	1
Totals	14	6	6	2
Veteran Self-Employed				
Self-Employed	4	1	1	2
Totals	4	1	1	2
GRAND TOTALS	46	20	19	7

5.—PERSONNEL

As a result of the great increase in claims, the Commission's personnel increased from about 40 in the middle of the summer of 1945 to more than 150 in the winter, and then tapered off to about 143 at the end of September, 1946.

Personnel activities of the Commission were characterized by the following during the fiscal year:

1. A sudden need for more personnel as a result of the high rate of discharged veterans, falling in December, January, February and March.
2. The return of thousands of workers from other states.
3. Lack of qualified applicants on the registers of the Merit System.
4. The taking-over of 30 employees of the United States Employment Service late in February, 1946.
5. Inability of the Commission to meet competition of other state agencies, the federal bureaus, and private business, because of low starting salaries.
6. High turnover of personnel.
7. Lack of housing facilities.
8. Two pay scale increases.

Separations from service with the Commission averaged in one month, April, one a day. The greatest difficulty in recruitment was in getting qualified stenographers, since there existed and still exists, a great demand for stenographic workers. Personnel for local offices were recruited generally from the cities and towns in which the offices are located.

Because of a tight labor market, the Merit System was unable to maintain adequate registers of applicants, consequently the Commission was forced to recruit workers, then qualifying them with the Merit System. This was strictly an emergency move, necessary if the Commission was to accomplish its business. In almost every case, workers recruited in this manner qualified in the examination and entered on probationary status, and then permanent status.

U. C. C. Takes Over U.S.E.S. Personnel

In February, 30 federal employees of the United States Employment Service were taken over by the Commission on the basis of a provision of a federal law that allows a state director of an unemployment compensation agency to make determinations as to the amount of work for the state agency that U.S.E.S. personnel is performing in the local offices, if that amount of work, in the judgment of the state director, takes 50 per cent or more of the employee's time.

The most difficult problem encountered was meeting competition of other agencies and private business. This was true in spite of two pay scale increases granted the Commission by the State Board of Examiners and the Social Security Administration.

Since the starting salary provided the greatest stumbling block, it was finally possible as of July 1, 1946, to increase starting salaries to somewhat near those for competing establishments. In December of 1945, a general pay scale increase was obtained, followed by the other, eight months later. Commission salaries are now nearly comparable with those for other state agencies on the basis of position requirements. Positions in the federal bureaus, on the whole, carry higher pay than those for this Commission. The Commission has, however, not lowered its qualifications, since all personnel, no matter how recruited or obtained, must qualify eventually through examination and certification by the Merit System.

Lack of Housing Is Handicap

The lack of available housing, especially for married men in the employ of the Commission, made it extremely difficult to send personnel into the local office cities and towns because housing for such personnel was practically impossible to obtain. The Commission thus had to resort to hiring local men and women who had a place to live in those communities.

The two pay scale increases moved salaries in the Commission upward at both the minimum and maximum and intervening steps, and in the case of the increase in July, 1946, a further increase was made in the minimum and second steps and a few maximum salaries, plus a change from a five-step plan to a three-step plan, by the method of depressing the ranges, holding the maximums in most cases of the increases granted in December of 1945.

Merit System of Personnel

With the State Board of Health and the State Board of Public Welfare, the Unemployment Compensation Commission is subject to the provisions of administration of personnel laid down by the Merit System Council, as provided by the various laws under which the agencies operate. The Montana State Employment Service is also subject to the system as a division of the Commission.

Briefly, the merit system certifies applicants for positions with the various agencies as a result of comprehensive examinations following evaluation of applicants' experience, education, and general aptitude. Each agency is required to hire only those who are certified on the registers of the system. Each new employee must serve a six-months probationary period before becoming a permanent employee.

The merit system provides minimum standards of education and experience for each position, as well as aiding the agencies in setting up job specifications outlining all the requirements for each position and at the same time delineating the requirements of each position.

All employees of the United States Employment Service on returning to state control in November were certified through the system, if they had not been certified when the service was under the state before the change-over to federal control January 1, 1942. The return of the service increased the Commission's personnel to nearly 230.

Following is the Compensation Plan for the Commission, and the names of all personnel on the September payroll of the Commission with their current salaries, titles, and legal addresses:

Compensation Plan

POSITION	1st Step	2nd Step	3rd Step
Chairman	\$415.00	\$455.00	\$500.00
Director of UC	350.00	365.00	380.00
Attorney	320.00	335.00	350.00
Informational and Training			
Representative	310.00	325.00	340.00
Chief Field Advisor	295.00	310.00	325.00
Chief Accountant	295.00	310.00	325.00
Chief, Research and Statistics	285.00	300.00	315.00
Supervising Claims Examiner	270.00	285.00	300.00
Administrative Assistant	270.00	285.00	300.00
Field Advisor	230.00	245.00	260.00
Accountant	220.00	235.00	250.00
Senior Accounting Clerk	180.00	190.00	200.00
Intermediate Accounting Clerk	165.00	175.00	185.00
Junior Accounting Clerk	150.00	160.00	170.00
Chief Clerk	200.00	220.00	240.00
Senior Clerk	165.00	175.00	185.00
Intermediate Clerk	155.00	165.00	175.00
Junior Clerk	145.00	155.00	165.00
Supervising File Clerk	165.00	175.00	185.00
File Clerk	145.00	155.00	165.00
Statistical Clerk	180.00	190.00	200.00
Claims Examiner	190.00	205.00	220.00
Secretary	180.00	190.00	205.00
Senior Stenographer	170.00	180.00	185.00
Intermediate Stenographer	160.00	170.00	180.00
Junior Stenographer	150.00	160.00	170.00
Typist	130.00	140.00	150.00
Statistician	230.00	245.00	260.00
Senior Interviewer	190.00	205.00	220.00
Bookkeeping Machine Operator	145.00	155.00	165.00
Calculating Machine Operator	140.00	150.00	160.00
Telephone Operator	140.00	150.00	160.00
Key Punch Operator	150.00	160.00	170.00
Janitor	150.00	155.00	160.00
Field Supervisor	270.00	285.00	300.00
Junior Interviewer	155.00	165.00	175.00
Manager	220.00	235.00	250.00

Employees on September Payroll

	Position	Salary	Legal Residence
Anderson, Gertrude	Typist	\$ 130.00	Plentywood
Aspelund, Myrad E.	Senior Interviewer	190.00	Plentywood
Baker, Ruth F.	Typist	130.00	Ennis
Bakko, Henry G.	Field Advisor	260.00	Billings
Bassford, Edgar T.	Statistical Clerk	180.00	Whitefish
Bauer, Cecilia L.	Junior Stenographer	150.00	Hysham
Bentley, Jesse	Senior Interviewer	205.00	Helena
Beyer, Norman S.	Senior Interviewer	190.00	Red Lodge
Binko, W. E.	Field Advisor	260.00	Havre
Blackstone, Elmer	Senior Interviewer	205.00	Chinook
Bourck, Oscar E.	Field Advisor	260.00	Butte
Brennan, James P.	Field Supervisor	300.00	Sidney
Briscoe, Edith	Intermediate Clerk	175.00	Helena
Brown, Kenneth	Claims Examiner	220.00	Stevensville
Bullock, Clifford	Field Advisor	260.00	Great Falls
Charles, Marie	Intermediate Stenographer	170.00	Butte
Christiaens, Leon	Senior Interviewer	190.00	Conrad
Christiansen, Leslie O.	Administrative Assistant	300.00	Boulder
Clifford, Doris A.	Typist	130.00	Sidney
Corbitt, John D.	Senior Interviewer	190.00	Butte
Coyne, Leonard	Claims Examiner	190.00	Butte
Craighead, Barclay	Chairman	500.00	Missoula
Crossen, Sylvia E.	Bookkeeping Machine Opr.	145.00	Ingomar
Currie, Charles	Intermediate Clerk	155.00	Anaconda
Cutler, Leonard	Senior Interviewer	190.00	Choteau
Dartman, Jackie	Junior Stenographer	150.00	Hinsdale
Deming, Curtis C.	Senior Interviewer	190.00	Plentywood
Donovan, Gladys M.	Junior Interviewer	165.00	Butte
Dorrington, Lichfield	Manager	220.00	Billings
Downey, Harry J.	Intermediate Clerk	165.00	Butte
Doyle, Rose A.	Intermediate Clerk	155.00	Shelby
Dreyer, Helen	Typist	130.00	Power
Duley, Adolph J.	Senior Interviewer	220.00	Great Falls
Dunstan, Thomas	Senior Interviewer	205.00	Butte
Eames, Esther	File Clerk	145.00	Helena
Eckert, Stacey E.	Senior Interviewer	190.00	Ekalaka
Eicoff, Mary Irene	Junior Clerk	145.00	Lewistown
Ferguson, Donald	Senior Interviewer	190.00	Billings
Foley, James H.	Junior Clerk	145.00	Anaconda
Foot, Stanley R.	Attorney	320.00	Helena
Frigge, Norbert J.	Claims Examiner	205.00	Dutton
Gilbert, F. C.	Field Supervisor	300.00	Butte
Goodwin, M. Herbert	Senior Interviewer	190.00	Helena
Goss, Charles	Statistical Clerk	180.00	Butte
Gray, John	Senior Interviewer	220.00	Miles City
Gray, Raymond F.	Intermediate Clerk	155.00	Helena
Grose, Beverly	Typist	140.00	Sheridan
Guilbault, Charles	Supervising Claims Examiner	300.00	Helena
Gustafson, Marjorie	Typist	130.00	Anaconda
Hamilton, Gail	Intermediate Clerk	175.00	Helena
Handel, Marjorie	Senior Clerk	185.00	Sheridan
Hanson, Oscar P.	Key Punch Operator	150.00	Fairview
Hazzard, Virginia	Key Punch Operator	160.00	Helena
Hoell, Bessie	Senior Stenographer	170.00	Helena

	Position	Salary	Legal Residence
Holloman, Elsie	Senior Clerk	185.00	Missoula
Holshue, Mary Belle	Typist	130.00	Helena
Honey, John V.	Senior Interviewer	220.00	Missoula
Hunter, Frank	Janitor	150.00	Helena
Hyatt, Florence Jean	Typist	130.00	Hamilton
Jacobson, Arthur C.	Director	365.00	Missoula
Johns, Walter R.	Senior Interviewer	190.00	Thompson Falls
Kabalin, Valencia	Intermediate Stenographer	180.00	Helena
Kain, Samuel	Supervising Claims Examiner	270.00	Helena
Kedzie, Malcolm K.	Senior Interviewer	220.00	Great Falls
Lane, Louis L. Sr.	Field Advisor	260.00	Billings
Lanning, William V.	Intermediate Clerk	155.00	Anaconda
LaRue, George	Intermediate Clerk	155.00	Helena
Lazo, Edgar	Junior Clerk	145.00	Guatemala
Lee, Nita S.	Junior Stenographer	150.00	Froid
Lutey, John	Janitor	160.00	Helena
MacDonald, Raymond A.	Senior Interviewer	190.00	Helena
Majhor, Joseph P.	Senior Accounting Clerk	180.00	Helena
Manning, Grace	Senior Stenographer	185.00	Kalispell
Marron, John P.	Statistician	260.00	Power
Maxey, Curtis K.	Senior Interviewer	205.00	Bozeman
McCandless, Howard	Senior Interviewer	190.00	Malta
McCarthy, John J.	Intermediate Clerk	155.00	Butte
Mehrens, Robert A.	Intermediate Clerk	155.00	Anaconda
Meldrum, Helen K.	Senior Stenographer	185.00	Helena
Menager, Pershing	Intermediate Clerk	155.00	Helena
Merritt, Donald	Chief Clerk	220.00	Helena
Miller, Florence E.	Junior Interviewer	175.00	Bozeman
Miller, Max	Senior Interviewer	190.00	Glasgow
Miller, Royce R.	Senior Interviewer	190.00	Cut Bank
Morey, Harriet H.	Junior Interviewer	165.00	Missoula
Murphy, Michael A.	Chief, Research & Statistics	300.00	Anaconda
Nash, Lee	Manager	250.00	Missoula
Nelson, Hope K.	Intermediate Clerk	175.00	East Helena
Nelson, Ruby H.	Intermediate Clerk	165.00	Great Falls
Norderud, Dorothy	Typist	130.00	Glendive
Nutter, Laura	Intermediate Clerk	165.00	Helena
Olson, John Jr.	Senior Interviewer	190.00	Baker
Palin, George R.	Intermediate Clerk	155.00	Dixon
Pohlod, Charles C.	Accountant	250.00	Helena
Rice, Dow	Statistical Clerk	180.00	Helena
Rivers, William	Field Advisor	230.00	Anaconda
Roberts, John E.	Claims Examiner	190.00	Helena
Roth, Bertha	Junior Stenographer	150.00	Hysham
Ryan, Helen	Typist	140.00	Boulder
Sanford, Walter W. Jr.	Information & Training Representative	325.00	Billings
Schmith, Herman J.	Junior Clerk	165.00	Helena
Schrieber, John E.	Senior Interviewer	190.00	Billings
Seder, Adeline F.	Junior Interviewer	175.00	Great Falls
Shea, Jeremiah C.	Junior Interviewer	155.00	Butte
Sokoloski, Ted	Junior Clerk	145.00	Wibaux
Sorenson, Laura	Junior Clerk	145.00	Philipsburg
Stewart, Carroll M.	Chief Accountant	325.00	Missoula
Stewart, Dorothy	Secretary	205.00	Billings

	Position	Salary	Legal Residence
Stewart, James H.	Chief Field Advisor	325.00	White S. Springs
Stewart, Leal S.	Junior Interviewer	155.00	Butte
Streedbeck, Charles	Intermediate Clerk	175.00	Helena
Sullivan, Carlos P.	Senior Interviewer	190.00	Butte
Swanson, Norman	Intermediate Clerk	155.00	Helena
Swanson, Rose M.	Intermediate Clerk	155.00	Havre
Tichenor, Ina Beryl	Typist	130.00	Opheim
Van Wieren, William N.	Senior Interviewer	190.00	Billings
Venable, Shirley	Typist	130.00	Sheridan
Wallin, Sam C. F.	Field Advisor	260.00	Whitefish
Walsh, A. D.	Accountant	250.00	Helena
Walsh, Michael J.	Claims Examiner	220.00	Butte
Webb, Percy	Claims Examiner	220.00	Helena
Wells, Thomas W.	Junior Interviewer	155.00	Polson
Wilson, Emery E.	Field Advisor	245.00	Livingston
Wright, Dolores	Typist	130.00	Sheridan
Ziech, Carolyn A.	Intermediate Clerk	155.00	Livingston
Zugel, Margaret J.	Intermediate Clerk	155.00	Helena

B.—Interstate Agreement

Montana workers who returned to the state after employment in war and other industries in all of the other states, the territories of Hawaii and Alaska, and the District of Columbia, were able to file claims against those states by reason of an agreement between Montana and all the other state agencies to take claims for them, through the employment service offices.

The Commission estimates that about \$1,101,500 in unemployment benefits were paid by the other states to Montana workers during the fiscal year 1945-46. This estimate is based on the number of continued claims taken in Montana local offices, using an average weekly benefit amount, since the various states do not have a standard weekly benefit amount, nor the same duration.

The agreement was made through the Interstate Conference of Employment Security Agencies, an organization of all state unemployment compensation agencies in the nation. It was felt that such a service was necessary for the unemployed workers of the country, as well as a much more efficient means of taking such claims, because then each state performs for the other states service in the form of information as to the employment status of each claimant which information is entered on the claim form sent directly to the liable state. Eligibility is generally the same in all states, so that work offers, availability for work, ability to work, registration for work, and other requirements might be established.

Without this agreement, the cost of taking claims by Montana and the other states for workers who have left the states in which wage credits were earned would be prohibitive, not to mention the almost impossible task of checking on claimants' eligibility by mail only with the individual claimants.

C.—Veterans Readjustment Allowance Program

1.—GENERAL

Nearly one year after the ending of the Japanese war, about 55,500 Montana veterans had been discharged and of this number nearly 100 per cent had returned to the state to take up civilian life where they had left off from one to five years earlier. They came back to Montana because it simply was home, or because Montana is a good place to live, or because some, after training in the state, had determined to make this state their home.

By July 1, 1946 most of these boys had entered employment, or had begun training, or had found other pursuits such as school and self-employment. Others, however, found that the change from service life to civilian life was somewhat difficult. It was for these that the national Congress passed the Servicemen's Readjustment Act of 1944, Public Law 346, and the disabled veterans rehabilitation act, Public Law 16. Public Law 346, or the so-called G. I. Bill of Rights, provided training, education, and readjustment allowances. It was with the latter that the Unemployment Compensation of Montana became concerned through arrangement with the Veterans Administration.

Readjustment allowances, for unemployment and for self-employment, have since September, 1944, the effective date of the act, been paid to no more than 16,500 of the 55,500 who were discharged through June 30. Of the total discharged, slightly more than one-half, or 28,000 sought entitlement to allowances, and were qualified under the law. This means that although 28,000 have sought allowances since September of 1944, only 16,500 have drawn one or more weekly or monthly payments of allowances, the difference of 11,500 found jobs or other activity and did not need to draw even one week or month of allowances.

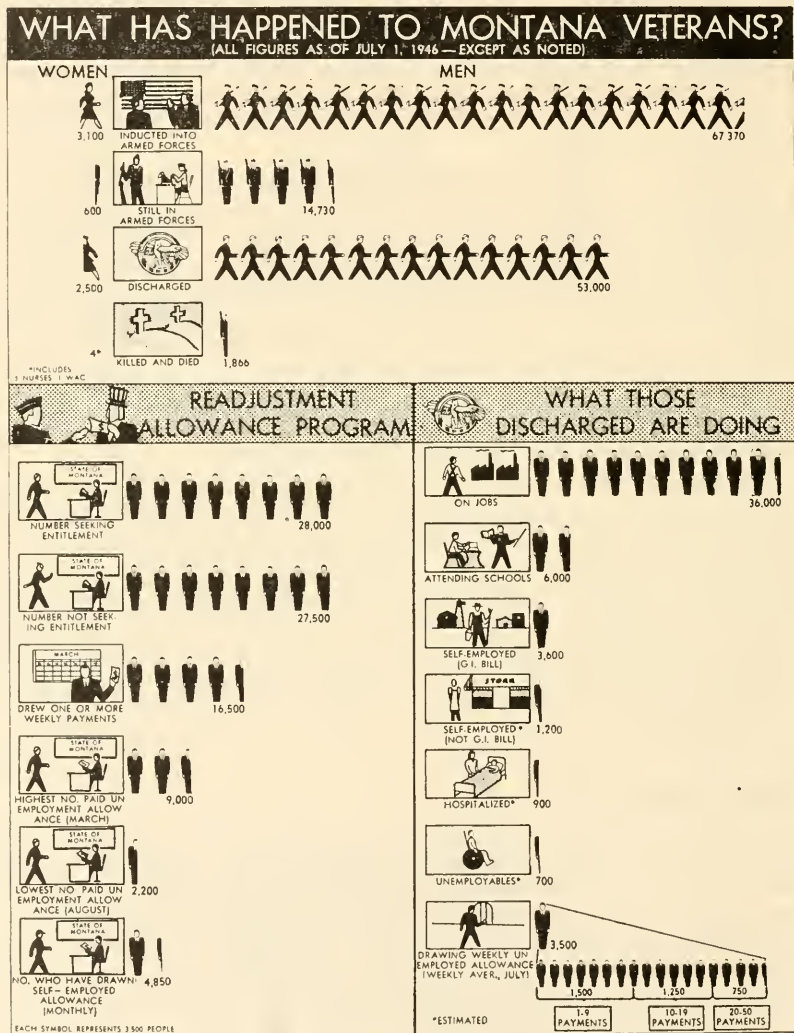
Highest Number Only 9,000

At no time during the program have more than 9,000 veterans drawn the unemployed allowance in any month or week, that number drawing in March of 1946. The lowest number drawing goes back into the months before the ending of the war and in view of the comparatively few discharged before the victories, is not an honest comparison. However, in September of 1946, no more than 2,200 were drawing the unemployed allowance in any week in that month.

The conclusion is inescapable, then, that in spite of the fact that Montana's veterans were returned to the state in the poorest employment months in the fall and winter of 1945-46, **no more than 12 per cent of the total discharged ever drew the unemployed allowances, and in August only about four per cent were drawing them.** Many found jobs in the readjustment period, many deter-

mined to go to school and did so, and will continue this fall to the capacities of the various state schools.

This then brings us to the question of just how well has the readjustment allowances program worked in Montana to the end of accomplishing its avowed purpose. A quick look at the chart on this page will show the disposition of veterans up to July 1



in the various activities in which they are now engaged. There can be little doubt that the act has accomplished its purpose when it is seen that only 16,500 of those who sought and received entitlement ever drew the unemployed allowance or the self-employed allowance.

The purpose of the act states, more or less, that any qualified veteran, while seeking employment or a job, may draw \$20 per week for a maximum of 52 weeks, if necessary, if the veteran qualifies for that maximum on the basis of more than nine and one-half months service and has a discharge other than dishonorable. The minimum entitlement is eight weeks for service of at least 90 days.

Further, the allowance's main purpose is to aid the veteran in making the adjustment to civilian life by giving him some financial means of support during the interval between discharge and the finding of suitable employment. Registration with the then United States Employment Service, now the Montana State Employment Service, is also required.

In Montana, thousands of veterans made the adjustment without recourse to allowances, while no more than 16,500 found it necessary to draw one or more checks during the worst possible period in Montana for employment, or more particularly, during that season in Montana when seasonal layoffs are the rule, and employment drops considerably, as has been the case in Montana for years. Other factors also, peculiar to the last year only, have made employment possibilities fewer than they might have been—shortages of commodities, materials, and buildings.

Facts Reveal True Picture

Misinformed persons in the state have asked questions about the veterans drawing unemployed allowances indicating that some are making a "racket" out of the drawing of allowances, getting "rocking-chair money" while jobs go a-begging, are members of the "52-20" club, are paid for loafing, are in many ways "chiseling" on the goodness of the American people in aiding them in making the readjustment to civilian life.

The facts are these:

1. At no time were there more than 12 per cent of all discharged veterans drawing allowances.
2. In August, only four per cent were drawing allowances, including those who are difficult to place in jobs because of partial disabilities.
3. The Commission has not been called upon to demand many repayments of allowances as a result of unwarranted claims.
4. A definite program of investigation of doubtful claims has been in force since the beginning of the program, culminating in September and October in the putting of eight field men to investigating claims on a full-time basis for at least 30 days.
5. The number or percentage of exhaustions of the full entitlement of from eight to 52 weeks of allowances is low. As of June 30, 1946, only about 40 veterans had exhausted their allowance entitlement, of which number only 10 had drawn the full 52 weeks of allowances, the other 30 having entitlement of from eight to 44 weeks.

[illegible]

Top - Number veterans discharged each county, July 1, 1946
Bottom - Amount paid 1945-46 unemployed, self-employed veterans each county.

TABLE NO. 41

**Inductions and Discharges, in Armed Forces, by Counties,
To July 1, 1946**

(Data supplied by Selective Service, State of Montana.)

COUNTY	Inductions Enlistments,		COUNTY	Inductions Enlistments,	
	Etc.	Discharges		Etc.	Discharges
Beaverhead	910	756	Meagher	322	240
Big Horn	1,365	978	Mineral	250	188
Blaine	1,240	808	Missoula	3,878	3,268
Broadwater	373	284	Musselshell	636	529
Carbon	1,276	1,032	Park	1,357	1,105
Carter	370	314	Petroleum	115	89
Cascade	5,617	4,358	Phillips	1,055	677
Chouteau	759	639	Pondera	753	610
Custer	1,502	1,064	Powder River	302	246
Daniels	483	354	Powell	566	508
Dawson	773	643	Prairie	336	196
Deer Lodge	1,565	1,426	Ravalli	1,579	1,273
Fallon	367	270	Richland	1,110	757
Fergus	1,654	1,137	Roosevelt	1,015	986
Flathead	2,620	2,165	Rosebud	824	575
Gallatin	2,310	1,866	Sanders	740	502
Garfield	284	174	Sheridan	721	577
Glacier	1,173	888	Silver Bow	6,452	5,211
Golden Valley	200	126	Stillwater	617	598
Granite	439	373	Sweet Grass	423	334
Hill	1,223	1,129	Teton	687	607
Jefferson	499	367	Toole	754	635
Judith Basin	419	313	Treasure	192	147
Lake	1,518	1,084	Valley	1,602	1,353
Lewis & Clark	2,999	2,273	Wheatland	465	346
Liberty	214	164	Wibaux	233	144
Lincoln	1,019	899	Yellowstone	6,301	4,652
Madison	709	547	Undistributed	143	—
McCone	375	268			
			TOTAL	67,683	53,052

2.—UNEMPLOYED ALLOWANCES

From July 1, 1945 through June 30, 1946, the Montana Commission paid to eligible veterans nearly three million dollars on claims for the unemployed allowance under the readjustment allowance program.

Table No. 42, Page 94, shows that during the first six months of the period, only \$282,600 was paid out to veterans, but then when the discharge of veterans began to climb, the number of claims climbed in direct ratio to the number discharged each month, until in March of 1946, the Commission paid to veterans, \$595,380 to about 9,000 individual veterans who received in that month from one to four checks each.

As employment opened up in the spring during April, May and June, the claims fell off each month from more than \$100,000 per month to \$200,000, making a total however, for the 12 months, \$2,915,233.

Because of the shortages of materials and commodities, employment was slower to increase during April, May and June than it usually had been in the past, hence the decrease in payments was not as sharp as it might have been. At any rate, payments continued to decline through the summer to the end that for week ending September 7, slightly under \$600,000 had been paid to unemployed veterans, with a low of no more than 2,200 in any week in August.

TABLE NO. 42
Veterans Unemployed Allowances
Initial, Additional, and Continued Claims Received
and Amounts by Months
Fiscal Year 1945-46

	Initial & Additional Received	Continued Received	Number of Individuals Drawing Checks Total Females		Number of Checks Issued	Amount of Checks Issued
1945—July	64	317	99	.....	315	\$ 6,229
August	98	400	135	.....	399	7,921
September ..	259	558	232	.....	515	10,250
October	645	1,531	587	.....	1,518	30,193
November ..	1,380	3,696	1,332	.....	3,367	67,055
December ..	2,355	8,864	2,877	.....	8,080	160,971
1946—January ..	3,946	32,372	5,556	.....	16,428	327,696
February	3,647	24,042	7,574	125	22,620	451,296
March	3,385	30,011	9,029	173	29,868	595,380
April	2,700	24,652	8,106	226	24,460	487,450
May	2,541	21,556	6,616	242	20,350	405,343
June	2,197	17,672	6,054	241	18,348	365,449
Totals ...	23,217	165,671			146,268	\$2,915,233
Supplement						
July	1,941	16,385	5,227	227	16,386	326,491
August	1,743	11,671	3,948	215	11,303	225,256
September ..	1,728	9,648	3,506	181	9,411	187,707
TOTALS ...	5,412	37,704	.....	.....	37,100	\$839,454

Suitability Question Rises

Employers in the state have questioned the fact that the Commission was paying that number, insisting that there were jobs available for them. The Commission believes that among those drawing during the low weeks that a great many are those who are partially disabled, and unable to qualify for much of the employment available by reason of the nature of the work as not suitable to their physical condition. Further the Commission believes that a not unusual situation maintains in that many of the jobs offered do not fit the skills of those available, for thousands of veterans do not have any work history or experience other than service experience. The lack of skilled

workers is a case in point, since few apprentices have been trained in the last five years by the skilled crafts, hence cannot show union affiliation which is required by so many groups.

Readjustment Difficult for Some

In other words, considering the times, the lack of skilled workers, and the disability of many of those available, about 2,200 veterans were drawing allowances at a time when there was some demand for labor. In this instance, however, the purpose of the readjustment act is seen as fulfilled, since certainly readjustment in most of the cases of the 2,200 is, at best, difficult.

Further, it must be pointed out that if the federal government had not taken care of the matter, the State of Montana would have had the problem directly on its doorstep. That means the provision of the Montana legislature that veterans might draw state unemployment compensation on the basis of frozen wage credits, credits earned in the first four of the last five full calendar quarters preceding enlistment or induction. Had this been the case, the unemployment compensation trust fund today would not be nearly \$22,000,000.

Finally, the nearly three million dollars that was paid to veterans in the fiscal year constituted a substantial buying power in the state which cannot be overlooked for its economic effect in the overall picture of Montana business and industry.

3.—SELF-EMPLOYED VETERANS' ALLOWANCES

Through February, 1946, Montana ranked twentieth in the nation in the number of self-employed claims of veterans of World War II under the readjustment allowance program provisions of the G. I. Bill.

We believe that this showing of the state is creditable and augurs well for the future of Montana that thousands of our young men have the initiative and industry to start "on their own" without waiting for a job from anyone.

The chart on the facing page shows that the southern states rank highest in the number of self-employed veterans, with Texas at the top. Montana ranks between New York and Illinois. Next to the southern states, the western states have made the best showing. The reason for this is probably that there are more opportunities in agriculture in the south and west than in the industrial east and northern middle west, and agriculture predominates among all industries for the nation, showing about 85 per cent farm operations as against 15 per cent for the balance of all other industries. Montana's claimants reflect the national average of 85 per cent.

Are Montanans More Self-Reliant?

Montana ranks thirty-ninth in population among the states, yet is twentieth in the United States in number of self-employed

TABLE NO. 43

Number of Checks and Amount of Payments Certified* for Partial Fiscal Year 1944-45 and Fiscal Year 1945-46 by Industrial Groups for Self-Employed Veterans

	Checks	Agriculture & Forestry	Mining	Contract Construction	Manufacturing	Transportation, Communication,	Wholesale & Retail Trade	Finance, Insur- ance & Real Estate	Service Industries	Establishments, Not Elsewhere, Classified	TOTAL by Six Month Periods
NOVEMBER 1944 and DECEMBER	Checks Amount	8 \$ 706	-----	-----	-----	-----	-----	-----	2 \$ 200	-----	10 906
JANUARY 1, 1945 through JUNE 30, 1945	Checks Amount	158 \$ 15,524	8 \$ 528	1 \$ 100	-----	-----	-----	-----	4 \$ 385	-----	171 16,537
FISCAL, 1944-1945	Checks Amount	166 \$ 16,230	8 \$ 528	1 \$ 100	-----	-----	-----	-----	6 \$ 585	-----	181 17,443
JULY 1, 1945 through DECEMBER 31, 1945	Checks Amount	942 \$ 93,195	18 \$ 1,800	9 \$ 900	7 \$ 660	4 \$ 366	25 \$ 2,392	-----	38 \$ 3,681	2 \$ 200	1,045 103,194
JANUARY 1, 1946 through JUNE 30, 1946	Checks Amount	12,502 \$1,245,245	146 \$14,567	184 \$18,193	264 \$25,502	118 \$11,474	351 \$32,967	46 \$ 4,551	465 \$44,756	7 \$ 659	14,083 \$1,397,914
FISCAL, 1945-1946	Checks Amount	13,444 \$1,338,440	164 \$16,367	193 \$19,093	271 \$26,162	122 \$11,840	376 \$35,359	46 \$ 4,551	503 \$48,437	9 \$ 859	15,128 \$1,501,108
TOTAL BY INDUSTRY	Checks Amount	13,610 \$1,354,670	172 \$16,895	194 \$19,193	271 \$26,162	122 \$11,840	376 \$35,359	46 \$ 4,551	509 \$49,022	9 \$ 859	15,309 \$1,518,551

*Payments on claims for self-employed allowances are certified by the Commission to the U. S. Treasury Department which mails check to veterans. On Oct. 1, 1946, the Commission began to pay self-employed allowances out of state funds, with reimbursement by the Veterans Administration.

veterans. Perhaps another reason for this ranking is that Montana and western veterans in general are more self-reliant than those in the industrial areas, are more prone to strike out for themselves, are more independent. At any rate, about 5,000 veterans have launched in Montana independent operations, approximately one one-hundredth of the total population of the state. This means that many have been removed from the labor market and that a large number of the 5,000 have established permanent businesses for themselves, taking into account that some will fail or have failed in their efforts.

After the full tide of returned veterans began, self-employed claims and applications began to climb, reaching a peak of 3,594 claims for June in the fiscal year of 1945-46. This means that number of individuals were self-employed in that month. Slightly more than \$350,000 was paid to the self-employed claimants during June, the highest payments in the fiscal year.

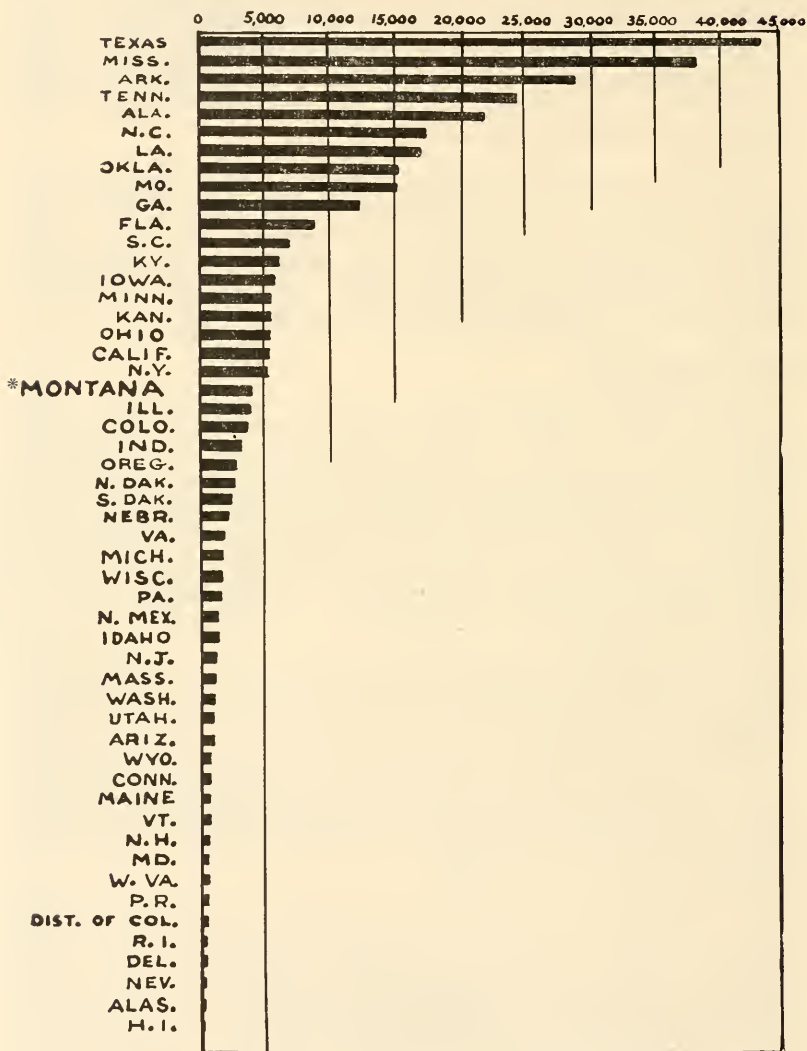
July Is High Month

The month of July, 1946, however, produced the greatest single month of claims since the beginning of the program in September of 1944, when 3,718 veterans drew more than \$367,400 in payments. In August the number dropped to 3,290 for a total amount of more than \$324,800, when the boys engaged in farming began to receive some return from their efforts of the previous months, farming being an operation in which income may be settled almost entirely in one month.

To date, self-employed veterans have received in monthly claims a total of \$1,518,551 since the first claims were paid in November of 1944. Of this amount, \$1,501,108 was paid during the fiscal year of 1945-46, and only \$17,443 in the previous fiscal year. The program for the self-employed didn't really begin to roll until January, 1946. For the fiscal year 1945-46, the first six months showed 1,045 claims for a total of \$103,194, while the second six months, or through June 30, 1946, shows 14,083 claims for a total amount of \$1,397,914.

To Montana this program has meant a lot and will mean more in the future. More than one and one-half million dollars have been paid to Montana veterans while they were getting started on their own as independent operators. The principal advantage has accrued, of course, to the veterans themselves in that the program has made it possible for them to acquire independence, and has given them the opportunity of establishing their own businesses aided by the assurance of at least \$100 per month for 10 and two-fifths months for most of them. This monthly assurance has bolstered many during the lean period of establishing themselves, has meant the difference between success and failure, and has taken 4,000 to 5,000 of the returned veterans out of the labor market.

Total Self-Employment Allowance Claims Received by 52
Employment Security Agencies Nov. 1944
Through February 1946



* Montana—20th; 39th in Population

Money Has Aided Business

The money that has gone into the program has aided business in the state, too. More important, the spending of better than a million and one-half of public monies has been well-spent in that enterprise and self-reliance have been fostered in a large number of our returned veterans but still more important, this number of veterans has been assisted in making the readjustment from service life to civilian life in the best way possible and in the fastest way, for there is nothing more effective as a morale builder than independence of operation as a self-employed person, which fixes responsibility on the individual.

Those who were responsible for the writing of the readjustment allowance provisions of the G. I. Bill of Rights have given to Montana veterans a precious thing, and they who wrote the bill should know that at least 5,000 Montana veterans have made the difficult jump back to civilian life through their foresight.

Basically, the self-employed provision of the readjustment act provides for properly qualified veterans a guarantee of at least \$100 per month net income on the operation of a business or profession on a cash basis month by month.

To qualify for the allowances, a veteran must have been discharged other than dishonorably, must have served at least 90 days in the armed forces, as a result of which qualification he may receive from eight to 52 weeks of entitlement to the self-employed allowance on a basis of five weeks per month, or \$100, since the weekly unemployed allowance is \$20 maximum. A veteran who has served more than nine and one-half months and is otherwise qualified may receive a maximum of ten and two-fifths months of allowances, or a maximum entitlement of \$1,040. Veterans who served less than 90 days are not eligible for the allowances unless discharge resulted from a service-connected disability.

Farms Run to 85 Per Cent

About 85 per cent of all self-employed veterans are engaged in some form of farm or livestock raising endeavor in Montana. All other major industrial groups are represented however, in the other 15 per cent. (See Map on page 101). That such a preponderance of farming activity should exist in Montana is understandable, since Montana's main economy is in agriculture and livestock. Opportunities are greater than in other fields. Other kinds of industry are represented and include such professions as the law, medicine, and others. Retail trade, transportation, manufacturing, construction, finance, insurance and real estate, mining, and service industries are represented.

Provides Necessary Operating Funds

Although the allowance program does not provide for capital investment in a new or old business, it does provide that almost indispensable necessity in a new business adventure, operating funds, at least to the extent of making it possible for the operator

to keep going until his business takes hold, or the venture proves unwise and is abandoned. The Commission scrutinizes every claim closely to determine that the business operation is a full-time business, to which the claimant devotes his entire time, and that it is of sufficient magnitude to warrant a venture at self-employment. The Commission has found that size of operation in the physical sense does not always constitute a good standard for determining what is a full-time business. This is especially true in the agricultural fields, since a five-acre enterprise may be of such nature as to warrant full-time employment, whereas a 1,000-acre establishment may not provide enough work for even one man.

The outline map of Montana on page 92 shows the distribution of discharges by county, the amount that has gone into each county during the fiscal year, and those in which agriculture predominates. Valley county in the northeast section of the state, shows the greatest number of claimants, while Sweetgrass county shows the lowest number. It is notable that the counties which are relatively little agricultural, show a low number of all claimants, since the opportunities for establishing a business are relatively fewer in industries other than in agriculture.

The outline map of the United States on page 101 shows by states the percentage of farming operations to all operations in the nation for self-employed veterans.

4.—ADMINISTRATIVE COSTS

Administration of the readjustment allowance program in Montana was undertaken by the Unemployment Compensation Commission of Montana, because of the great similarity between allowances and compensation, and because the Servicemen's Readjustment Act of 1944 provided for such administration by the several states.

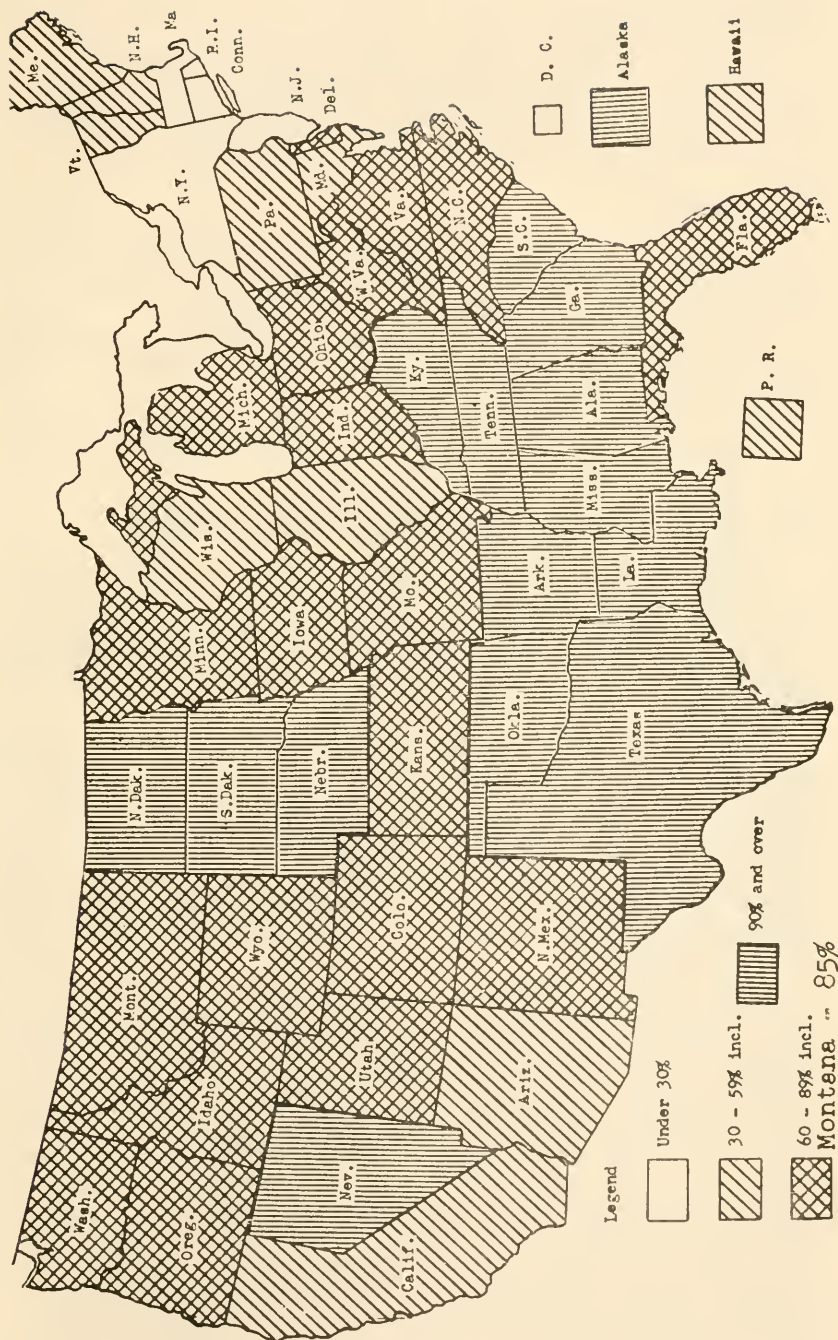
The cost of such administration, generally speaking, is lower than it could be under any other system in that the existing machinery of administration of the Commission was utilized fully, and in cooperation with the United States Employment Service, now the Montana State Employment Service.

During the first 10 months of administration, ending June 30, 1945, the cost to the nation for allowances in Montana was under \$5,000. During the next 12 months, however, incident to the enormously increased claims load, costs increased considerably, but amounted to much less than if the Veterans Administration had set up separate offices to take care of the claims.

Vets Administration Supplies Funds

For the fiscal year, more than \$87,000 was budgeted for allowances administration, which amount was supplied by the Veterans Administration. Although it was difficult to break down the costs of administration, the allowance program was handled along with the state compensation program without any hitch, to the extent that 90 per cent of all claims were processed and checks

Ratio Self-Employed Claimants, Agriculture, to Other Industries, Through Dec., 1945



in the mails in less than one week from the time the claims were received in the central office. Seventy-five per cent were processed in 24 hours.

Most of the budget amount was used in the establishing of new claims offices throughout the state and in payment of personnel to man the offices, as well as for additional personnel used in the established local offices of the employment service.

5.—APPEALS

Appeals of veteran claimants from the determinations of the Commission's deputies were handled along with the appeals of claimants for state unemployment compensation.

During the fiscal year, only 18 appeal cases were heard by the appeals tribunal of the Commission, and four additional ones were withdrawn.

(For detailed discussion of veteran appeals, see the discussion on appeals in Section A, on Pages 81 and 82.)

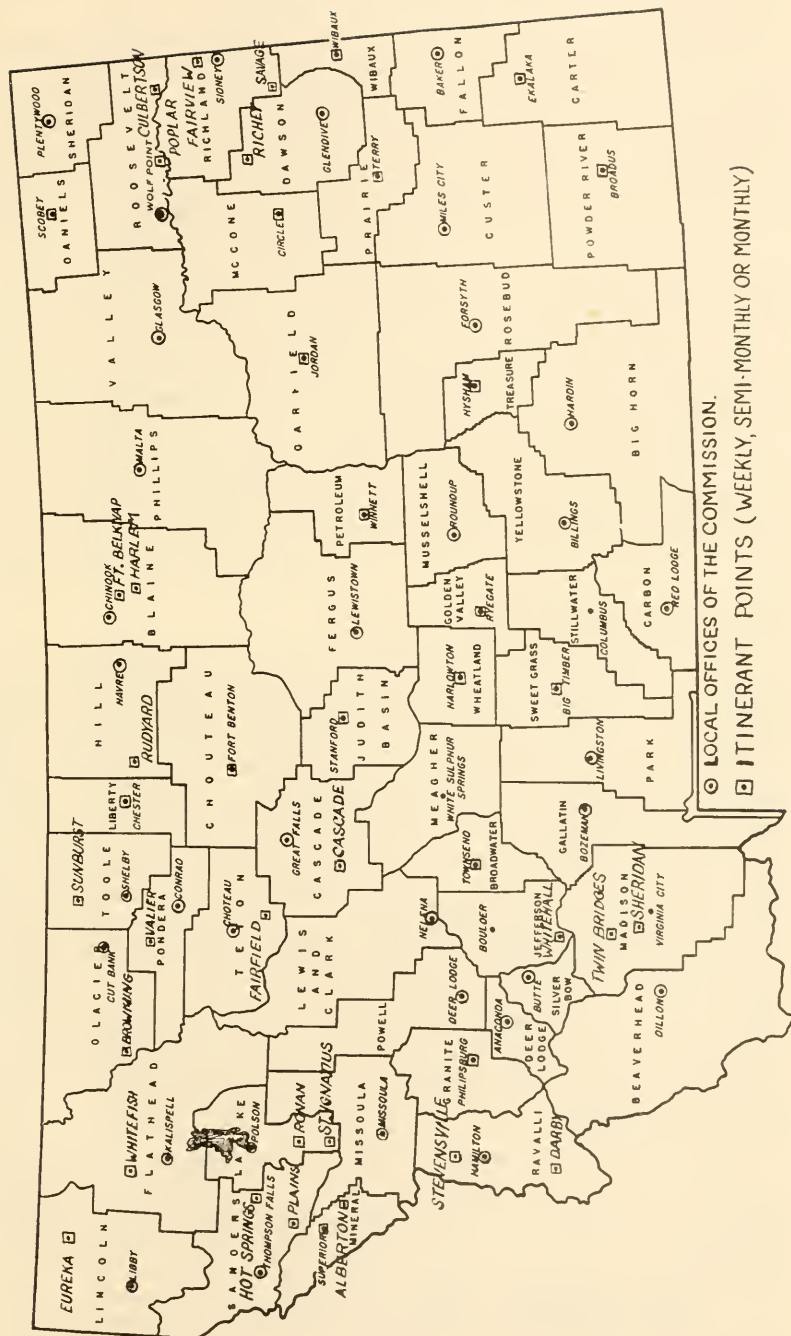
D.—State Employment Service Division

Return of the employment service to state control as a division of this Commission occurred November 16, 1946, after nearly five years of operation by direct federal government supervision. This return enables the Commission to again provide the correlated service contemplated in the legislation which established the Commission.

It will be recalled that the employment service division was borrowed from Montana, and similar services were borrowed from all the other states as well, upon request of President Franklin D. Roosevelt during late December of 1941, becoming effective on January 1, 1942. Montana acceded, with reluctance, to the loan of her employment service facilities and personnel, and conditioned acquiescence with a statement that the return was expected to be made as soon as the national emergency had been concluded.

Four years of pioneering had gone into the development of the employment service at the time of the transfer to federal status. The structure had been built largely of new and untried material, with a sprinkling of workers who had been engaged in operations of the emergency setup—the National Reemployment Administration—in Montana during the years from 1933 to 1938. The records from 1938 to the end of 1941 indicate that the employment service had gained a more widespread acceptance from employer and worker alike than had existed at its inception; that it had developed facility in clearance of workers from one state to another and between points within the state; that it was a factor of undoubted importance in the recruitment of workers for war production in plants then engaged in "defense" work; and that it had been a moving force in training of workers

Location of Operating Offices and Itinerant Points in Montana



for specialized jobs in the emergency days just prior to, and immediately after, Pearl Harbor.

Now, the employment service comes back to the Commission after the four years ten and one-half months during which it was operated as the United States Employment Service, Montana division. It is enriched in experience, its personnel has undergone the fire of wartime's tests, the functions have been cultivated and expanded, old programs have been superseded by new programs as labor market conditions have required, and a more professionalized approach to the problems has been developed.

The Commission was, naturally, proud of the Montana State Employment Service which it loaned to government auspices the last of 1941. The belief still persists here that the state service would have developed and produced results at least equal to the standards attained under United States designation. But such discussion is idle, purely academic. The facts are that the Montana State Employment Service again exists as a division of the Commission, and we can point with justifiable pride to the progress it made during four years of state direction and nearly five years under federal government supervision. From here on the responsibility rests with the Commission, and with Montana, to make its employment service a continuously improving institution.

Service Sets Well-Defined Aims

The goal is effectively outlined in the comprehensive program to which the employment service is dedicated, and toward which it is working in articulate and constructive fashion. This program, composed of six main points, evolved as an approach to problems accompanying reconversion. It is addressed to the task of bringing maximum employment opportunity to every job-applicant who comes into the employment service atmosphere.

Employer visiting, job development, job order solicitation, exploitation of labor market facts and influences constitute the fundamentals. They are supported by trained counseling in the employment field, occupational analysis studies, selective placement techniques, adequate and militant service to the veteran and the handicapped. Community services and industrial services, along with a constructive program of public relations and information, are expected to develop a continuing community understanding of, and approval for, as well as participation in, this broad, humanitarian effort which constitutes the essence of the six-point program.

Major functional responsibilities of employment service operation may be classified into nearly a score of operations stemming from the state level and made effective through action in the local offices, of which there are 34 now organized. The identification of some of these functions follows:

1. **Labor Relations, Employer Relations.** Promotion of effective relations with employers and with the workers, both

organized and unorganized, is inherent in any plan for effective operations within the labor market. To facilitate employment, and procure maximum use of employment service to the public, is the objective of this function.

2. **Employment Counseling.** Adequate analysis of qualifications and aptitudes, with reliable guidance on labor market facts, is a function which has general application in employment service techniques and is of special significance in adjustment and readjustment of veterans to civilian life. Included in this function is information service to veterans, and relationships with organizations concerned with phases of counseling, rehabilitation of the handicapped, vocational training, and education.
3. **Placement.** Included in the function of placement are application-taking, order-taking, use of job specifications, selection, referral, verification, follow-up, and maintenance of files relating to these activities in local office and inter-office placement of applicants in jobs of local, in-state, or out-of-state nature. This combination of functions includes also the adaption of general programs and operating methods to local purposes, developing additional or improved methods, assisting the supervisory force in training local office personnel in these functions, evaluation of results and recommendations for improvement.
4. **Selective Placement, Occupational Analysis, Industrial Services.** These functions, while dissimilar in some respects, lend themselves to combination under one head. Selective placement of the handicapped is pointed to analysis of job requirements and of job capacities, which are the special field of occupational analysis. Selective placement also requires close relationships with industrial and trade employers, which relationships are products of industrial studies and services.
5. **Community Services, Labor Market Information.** These functions are closely related in that labor market information is of vital concern to civic planning committees at both the local and the state levels. Planning boards, schools, welfare agencies, employer and labor organizations are drawn into close contact with employment service information on labor market conditions, derived from employer orders, employer records, labor unions, job applications, schools and agencies of state and federal governments.
6. **Veterans Employment Service.** The operations of the Veterans Employment Service, which is an all-federal agency, deal with matters of employment in all, or nearly all, of the categories already described. At the same time, the veteran enters into matters of unemployment compensation in all their phases. The Veterans Employment Service

maintains a representative and an assistant for Montana, together with clerical staff and may later include some field staff. Their section is set up to handle veteran affairs in both divisions.

The above functions and combinations of functions are found in employment service operations either to an exclusive degree or in major extent. There are other important functions of employment service which occur also in the unemployment compensation division. In the instances where these seemed to be of such dual character as to warrant their combination within the over-all structure of the Commission, such combination has been effected. As experience develops, other combinations may be made, or division into separate functions may be found advisable.

POPULATION OF MONTANA COUNTIES

U. S. Census for 1940 and U. C. C. Estimates for 1946

	U. S. Census 1940	U.C.C. Estimate 1946		U. S. Census 1940	U.C.C. Estimate 1946
Beaverhead	6,943	6,000	McCone	3,798	2,900
Big Horn	10,419	10,000	Meagher	2,237	2,000
Blaine	9,566	9,300	Mineral	2,135	1,600
Broadwater	3,451	2,400	Missoula	29,038	29,400
Carbon	11,865	10,300	Musselshell	5,717	5,300
Carter	3,280	2,600	Park	11,566	11,600
Cascade	41,999	49,000	Petroleum	1,083	900
Choteau	7,316	6,600	Phillips	7,892	6,900
Custer	10,422	10,400	Pondera	6,716	6,200
Daniels	4,563	3,800	Powder River	3,156	2,800
Dawson	8,618	8,500	Powell	6,152	5,900
Deer Lodge	13,627	14,600	Prairie	2,410	2,100
Fallon	3,719	3,500	Ravalli	12,978	12,100
Fergus	14,040	13,600	Richland	10,209	11,400
Flathead	24,271	25,500	Roosevelt	9,806	9,900
Gallatin	18,269	18,800	Rosebud	6,477	6,500
Garfield	2,641	2,200	Sanders	6,926	7,600
Glacier	9,034	9,200	Sheridan	7,814	6,800
Golden Valley	1,607	1,300	Silver Bow	53,207	50,800
Granite	3,401	2,700	Stillwater	5,694	5,600
Hill	13,304	13,000	Sweet Grass	3,719	3,400
Jefferson	4,664	3,300	Teton	6,922	6,900
Judith Basin	3,655	3,400	Toole	6,769	6,400
Lake	13,490	11,000	Treasure	1,499	1,700
Lewis & Clark	22,131	22,200	Valley	15,181	11,700
Liberty	2,209	1,900	Wheatland	3,286	3,200
Lincoln	7,882	7,400	Wibaux	2,161	2,100
Madison	7,294	5,100	Yellowstone	41,182	46,500

State Totals 559,456 547,800

PART VI

APPENDIX

From ISSUES IN SOCIAL SECURITY

A Report to the Committee on Ways and Means of the House of Representatives

By the Committee's Social Security Technical Staff
Established Pursuant to H. Res. 204 (79th Congress, 1st Session)

PROTECTION OF THE UNEMPLOYED (pp. 5-6)

Although unemployment compensation had been a subject of discussion in this country for many years, no compulsory public system was established until after the beginning of the depression of the 1930's. Unemployment then became so widespread as to require national recognition of the problem and national action to meet it. National recognition first took the form of emergency programs which provided cash payments in the form of relief or which provided work for needy individuals.

Providing for unemployed workers through emergency relief or work programs, however, was considered unsatisfactory as a basic policy, however necessary at the time. Such programs were uncertain in their operation and, more important, required millions of American citizens to subject themselves to a means test in order to obtain the basic necessities of life. A device in keeping with the dignity of American workers was needed, and the need was met by unemployment compensation.

In spite of the consideration given unemployment compensation by State legislatures after 1929, only one State—Wisconsin—adopted a program before the passage of the Social Security Act became a reasonable certainty. Within 2 years after its passage, all States, the District of Columbia, and the Territories of Alaska and Hawaii had enacted unemployment compensation laws.

The Social Security Act did not establish an unemployment compensation program. It merely provided an incentive for the States to do so. The incentive was in the form of a Federal payroll tax, up to 90.0 percent of which could be offset by tax payments under an approved State unemployment compensation law. State laws were required to meet certain general requirements imposed by the Federal act, but in the main States were free to adopt the sort of unemployment compensation program they wanted.

Since the enactment of their original laws, States generally have liberalized their benefits, and the protection they provide unemployed workers today represents a substantial advance over their relatively modest beginnings. States have been slow to extend protection to workers not now covered, although they have gone beyond the Federal act in this respect, in the absence of any congressional action to broaden the coverage of the Federal statute.

The protection which unemployment compensation now provides is impressive. During 1944 a total of 44.0 million different workers earned wage credits toward unemployment compensation, although not all earned enough to qualify. In 1940 the average weekly check was \$10.50; during the quarter ending September, 1945, it was \$18.44. From the beginning of the program through September 30, 1945, the State

unemployment compensation agencies had collected about 9.3 billion dollars in contributions from employers, and in a few States, from employees, and in interest from the United States Treasury, while paying out some 2.3 billion dollars in benefits, leaving an approximate balance of some \$7,000,000,000. A federal fund of some \$645,000,000 is available for loans to States whose unemployment compensation funds become too low, although no State now considers that it will require assistance within the foreseeable future.

In spite of the impressive progress made by States generally in improving their programs, unemployment compensation continues to be the subject of widespread discussion and criticism. The principal questions at issue may be listed as follows:

1. Are the benefits adequate, both in amount and duration?
2. Are the disqualifications too restrictive?
3. Should the coverage be extended to groups not now protected?
4. Is the present arrangement for financing the administration of unemployment compensation satisfactory?
5. Is the present arrangement for financing unemployment benefits satisfactory?
6. Should the present Federal-State system be modified?

A question basic to an answer to any one of these issues, insofar as the Congress is concerned, relates to the extent of the national interest in unemployment compensation.

From

AMENDMENTS TO SOCIAL SECURITY ACT

**Hearings Before the Committee on Ways and Means
House of Representatives**

**Seventy-Ninth Congress, Second Session, on
Social Security Legislation**

PART 10

June 3, 4, 5, 6 and 7, 1946

**STATEMENT OF FRED BENNION,
Executive Secretary of the Montana Taxpayers' Association
(pp. 1,491-1,492)**

It is our understanding that the hearing being conducted by your committee is not confined to mere opposition or support of provisions of specific bills now under active consideration, but that testimony may be offered in support of constructive changes or objectionable features of proposed social security legislation.

Social security legislation should be judged by the application of the following fundamental principles:

1. Benefits must never be so high as to be accepted as a satisfactory standard of individual security.
2. Insurance programs for old-age and survivors insurance and unemployment compensation should not go beyond basic protection, and destroy or weaken the desire of the individual to raise himself to higher security by his own efforts.
3. Minimum or uniform benefits set for the whole country, by the Federal Government, are neither necessary nor desirable.

4. Programs needing administrative flexibility can most efficiently be handled by local and State authorities with a minimum of Federal domination.
5. Programs in which unemployment benefits are directly related to employment opportunities are best administered by the States.
6. Public charity should not only be administered locally, but the local unit of government where the public charity program is administered should have such share of the cost as will retain local interest in economy.
7. Programs to provide public insurance coverage and reduce public charity should be paid entirely by taxes levied on the individuals to be benefited and not from general revenues.
8. Variations between States in the extent of Federal financial participations based on the State per capita income are not sound.
9. The major share of the cost of health research and education should be borne by the States.

In connection with pending legislation we particularly desire to call your attention to points Nos. 4 and 5. It is our belief that the employment service should be returned to the States before July 1, 1946. The unification of the unemployment compensation program and the employment service in each State under a single agency is essential for the proper integration of unemployment compensation benefit payments and job finding. This program needs administrative flexibility that can be most effectively obtained by local and State authorities with a minimum of Federal regulation.

The recent proposal of President Truman incorporated in Reorganization Plan No. 2, abolishing the Social Security Board and transferring the duties of the Board to the Federal Security Agency, is acknowledged by State administrators of unemployment compensation as a step in the right direction toward unifying the program. However, they contend that the proposal did not go far enough in that he should have put the Employment Service under the Federal Security Agency also, and returned this Service to the States so that the functions of the two agencies might enjoy the best possible coordination. With this contention we concur.

In the future, standards should be determined by Congress rather than by administrative interpretation by boards on the national level. Ideally, benefit standards for unemployment compensation should be determined wholly by State legislatures.

In your consideration of extending social security coverage and particularly unemployment compensation benefits to groups that are now excepted, we sincerely hope you will insist that all such legislation make adequate provision for payment of benefits entirely by the groups granted public insurance rather than from the United States Treasury receipts from borrowing or general taxation. Coverage should not be extended to self-employed or other groups unless such groups completely pay their way and the administrative difficulties can be overcome. It is our belief that coverage of self-employed, except on a voluntary basis, possesses insurmountable administrative obstacles that would involve a large increase in the number of Federal employees and consequent expense requiring a higher tax than that now levied on employers.

Liberalization of unemployment compensation to include a comprehensive cash sickness insurance plan, with benefit payments for temporary disability, should not be granted without definite assurance that the tax will be high enough to provide the benefits. Such liberalization should be paid for by the employee rather than the employer, who is now contributing all the tax money for unemployment compensation and half the tax for old age and survivors' insurance.

We are opposed to all bills that carry provisions for uniform benefits among all States. State costs of living vary, and what is basic unemployment compensation or basic assistance in one State may be much higher or lower in another.

Matching of Federal funds for assistance grants whereby a State is required to pay less than 50 per cent of the Federal grant will not contribute to economical administration but will encourage unnecessary spending.

At present the Federal Unemployment Tax Act levies a 3 percent tax and then allows a credit up to a maximum of 2.7 percent for payments made by the employer under a State unemployment law. The remaining 0.3 percent is collected by the Federal Government as general revenue. The Federal Government then makes grants to cover 100 percent of the cost of State administration of unemployment compensation. To date, the 0.3 percent collections by the Federal Government have exceeded by approximately \$700,000,000 the cost of State administration. We suggest the consideration of a reduction in the amount collected and that necessary changes in the law be made so that the States may use part of their collections for administration rather than being entirely dependent on the Federal Board.

FULL EMPLOYMENT

**Excerpts from a Speech by
DR. EWAN CLAGUE,**

**Formerly Director Bureau of Employment Security
Social Security Administration
Now Director of Bureau of Labor Statistics
before**

**The National Conference of Social Work
Buffalo, New York, May 21, 1946**

* * * Indexes of production, carloadings, foreign trade, building construction, and other long-standing economic series are beginning to take second place to the most important economic series of all those showing employment and unemployment. The cry of the workers for "full employment" is an outgrowth of the events of the last two decades. In the 1930's, more than half the families in this Country must have suffered serious unemployment or under-employment at one time or another. By contrast, the 1940's in war time have demonstrated how "full" employment can become under favorable conditions. Some of the legislative issues involved in full employment have been seriously debated in the Federal Congress during the past year; but this is merely a prelude to the bitterness with which this problem will be debated during the first business setback which this Country experiences. Fortunately, we may have a little time during which we can, if we will, think our way through this problem and determine what ought to be done. * * *

The first point is that practically everybody is in favor of full employment. Businessmen do not like depressions any better than workers do. Farmers want the city workers to be fully employed at high wages in order that they can buy farm products at high prices. Bankers would rather make loans than call them. Governments—Federal, State and local—are in favor of conditions which bring about large revenues and reduced appropriations. So there is no issue about the goal of full employment—everyone wants it. Yet in spite of all this sentiment, bad times do come eventually—not because anyone wants them, but because we don't seem to be able to prevent them.

The second point on which we should be clear is that depressions are born out of prosperity. Is it a shock to you to realize that we are right now laying the foundations for the next depression? Do you realize further that some of the steps best calculated to bring about that depression are being taken by people who have little or no aware-

ness of what they are doing? And, finally there are still other measures serving a genuine social interest today which will tend to produce serious economic consequences in the future. Even with full knowledge of these consequences, we might still want to go ahead meeting our immediate post-war problems, while hoping that somehow we can avoid or mitigate the results.

So the basic question is not whether we want full employment. The real issues are: How do we get full employment? How do we maintain full employment if we do get it? What shall we do if we don't get it?

1. How do we get full employment? Can we make good on the slogan, "A job for every man who wants one?" The answer is, yes—under certain conditions. In the first place, it is possible to get substantially full employment under a completely controlled economy. In Russia, for example, there is no need for unemployment insurance. If a worker is out of a job, he can immediately be shifted to another job somewhere else. It might be necessary to pay transportation expenses if serious distances were involved. Also, there might be subsistence needs of the family if the shift required a little time. The point is, however, that if the Government controls production and also controls the labor market, then it can come fairly close to assuring 100 percent employment most of the time. The immediate response of most Americans would be that this is too high a price to pay for full employment. Businessmen would oppose the Government control of production; American workers would oppose Government control of the labor market. This Country would be unwilling to take the steps necessary to bring about full employment by this method.

In the second place, however, we have been much impressed by the substantially full employment of our recent war-time economy. We did have plenty of jobs during the war, and unemployment fell to a practically irreducible minimum of less than a million men out of work at any one time. Does this promise something for the future? The answer is, no. A war economy is one which operates like a furnace under a forced draft. There is tremendous Government spending for war purposes, amounting to nearly half the national income. But the products of this spending are blown up on the battlefield, or otherwise destroyed in the pursuit of victory over the enemy. The vast war output does not flow back into production in the form of more goods for people to use. Under peace-time conditions, we would get the equivalent of this only by destroying a lot of our output each year, simply in order that we might go ahead the following year making more. Is there any likelihood of a rational people doing any such thing?

Furthermore, even a war economy itself works well only temporarily. The patriotic stimulation to make savings, the willingness of workers to work longer hours, the incentive which brings millions of non-workers into the labor market, the joy of doing without things in order to win the war—all these are effective only for a few years, in the feverish heat of war. That could not form the basis for a long-sustained economy, even a war economy. So this method won't do.

Third, there is the possibility that the problem could be solved by unemployed workers taking jobs in any occupation and at any wages offered. Take the situation today, for example. There are literally millions of unfilled jobs in this Country. There are several million persons unemployed. Why not persuade the unemployed people to take the jobs? To be concrete, I venture to say that there are in every large city in the Country today many thousands of openings for domestic servants. The hours are long, the work is isolated, and the wages are not exactly high. Suppose one of you social workers is laid off sometime within the next month because of a shortage of appropriations or the failure of a Community Chest drive. You could solve that unemployment problem immediately by signing up as a domestic servant. Some of the men might object to that type of referral by the employ-

ment service, but perhaps they could be persuaded to take a broader view of the matter. As a matter of fact, this is the solution advocated by the classical economists of a century ago—and of some of their modern survivors. Let the unemployed forget about wages, let them take such jobs as exist, and not only will their unemployment be solved, but the Nation as a whole will be kept at work. This would be an economy of perfect competition, one in which all maladjustments would be corrected speedily and painlessly.

Does this offer any hope? I am afraid not. This is a dream world which never has existed and which never will. The modern economy is not perfectly competitive. It is not even reasonably fluid. The frictions which exist in all types of markets are quite enough to insure that any maladjustment in the economic system takes years to correct. Let us recall 1929. After an unhealthy boom, a break occurred, far-reaching enough to affect practically all phases of our economic life. There was no social security program at that time to ease the pressure on the workers to take jobs; there was no bank deposit insurance system to prevent the failure of "unsound" banks; some feeble attempts were made to prevent unnecessary liquidation and to shore up some property values. Yet for three and one-half years business went down and down; it seemed impossible to stem the tide. When the bottom was reached, nearly one-third of the Nation was out of work. Furthermore, there was still ahead the long pull upward, involving more years. No, the answer is: The economic system does not adjust itself quickly enough to prevent unemployment, destitution, and starvation.

So we won't get full employment in the substantially complete sense because the people of this Country would not be willing to establish the conditions under which it could be achieved. Neither a controlled economy, nor a continuing war economy, nor a perfectly competitive economy are practical possibilities.

2. How could we maintain full employment if we did succeed in getting it? Instead of talking about ideal full employment, we might drop down to the reality of the moment. We do not have full employment today, but there are less than three million persons out of work in a total labor force of some 55 million—scarcely six percent. Instead of reaching for the stars, we might concentrate on maintaining the status quo, considering this level of unemployment a reasonably good performance in his imperfect world.

This can undoubtedly be done for awhile. Our war-time shortages are very great; it is estimated that some of them will continue for several years. Recent statements indicate that there may be shortages of agricultural products up to the harvest of 1948. I have seen statements that the clothing supply will be generally inadequate, at least through 1947. It seems probable that automobiles will experience a heavy demand for at least 4 or 5 years. Housing is so far below the Nation's needs that it may require 5 to 10 years for us to catch up. So perhaps we shall have no serious problem of unemployment for a long time to come.

Happy we would be (in an economic sense) if this golden age of shortages and high employment would last for decades. But this is not the prospect. As mentioned earlier, the present prosperity is in itself unstable. It is developing within itself certain stresses and strains which will eventually overturn it. In the short run, for example, there is the danger that there will be rises in prices and in values which will destroy the purchasing power of people's incomes. Today we see evidences of farm lands rising toward 1920 levels; the values of homes are reaching, in some cases, fantastic heights. It is stated, on how much evidence I do not know, that some black-market prices are already beyond any levels reached at any time in the last 100 years. Even the regular market prices on some luxury goods are far beyond reasonable long-range levels. These price increases, if long continued, eventually reach the point where the incomes of the people are inadequate. Many

of you will remember the so-called "buyer's strike" in 1920, which brought about the 1921 collapse of prices after World War I. This can happen again.

In the intermediate future, there will arise a more deep-seated problem, namely, how to adjust the economy when the war-time shortages are made up? We shall be exceedingly busy during the next 4 or 5 years making automobiles, houses, radios and scores of other commodities. All during this period consumers will be clamoring to buy, while producers will be trying to hire labor to make more goods. But there eventually comes a time when the people will not want to buy many more cars, nor will they want to purchase more houses at existing values. When that time comes, we are likely to repeat the experience of 1929—layoffs, short time, falling wages, declining prices, and all the other symptoms of a major business depression.

Finally, in the still longer future, we shall experience emerging employment problems which are inherent in our present economic system. For example, there is the older worker—the man or woman between the ages of 45 and 65 years of age. During the war, they were able to obtain employment. Even under present conditions, their prospects are reasonably good. Nevertheless, it is significant that the unemployment claimants in local employment offices today are heavily weighted with these older workers. In one city which was studied recently, it was reported by the State unemployment compensation agency that over 60 per cent of the men were over 45 years of age, while only 6.6 percent were under 30. As the years go by, these older workers will find job-getting increasingly difficult. In addition, the population trend is such that older workers are becoming increasingly numerous. I have said before, and I repeat again, that one of the most serious long-run problems in this Country is the problem of how to fit these millions of older workers into our industrial system with satisfactory productive jobs. Closely related is the problem of rapid change in our industrial process. The continued mechanization of agriculture seems likely to lower the costs and raise the incomes of farmers, but it may eliminate several million farmers and farm workers from agricultural pursuits. The age of invention and labor-saving machinery is not over; we may even be in for a new wave of mechanization.

To sum up, there is no assurance that present levels of employment can be maintained into the indefinite future. On the contrary, all evidence points in the direction of more serious unemployment problems in the years to come. In fact, there is prospect of an unstable economy, especially during the next decade or two when the Nation will readjust itself to peace-time conditions after the distortions brought about by the war.

It may be that we shall discover new methods of correcting economic maladjustments. If so, we may avoid a repetition of the great depressions of the past. I cannot promise you, however, that there is any emerging consensus of opinion among economists, businessmen, Government officials, labor leaders, farmers, or any other classes as to the measures which would bring about continuous stability and full employment. * * *

3. What can we do if we do not achieve full employment at all times? In all probability we shall continue to have a certain amount of unemployment under the best of conditions and (hopefully) not too much of it under the worst conditions. The goal of social policy should be to minimize it as much as possible by such measures as we are willing to accept. This inevitably brings up the question, what direct action should be taken by the Government in the event that private industry cannot provide enough jobs? At the present time, we are not in that situation. In the next few years, perhaps, private enterprise will be offering enough jobs to take care of 95 percent of those who want to work. Even the remaining 5 per cent may not be out of work too long; most of them will find other jobs eventually. In other words, un-

employment may remain at about the lowest level that is consistent with normal labor turnover and industrial change under peace-time conditions.

But let us imagine ourselves at the turning point when the war-time shortages are over and goods are flooding the shelves of the retailers, the period when large-scale industrial layoffs will occur. This is the time when some type of Government action may be essential, and it is toward that future crisis that we should now be planning. In fact, it would be the part of economic wisdom to hold back during the next few years any private or public projects which could be safely postponed. Yet those projects must now be planned if they are to be put into effect when a business downturn occurs. Furthermore, those projects must be large in scope and long in duration, because a major economic readjustment usually lasts for some years; it takes time for a business community to reconstruct after a crash. In this discussion of Government projects, I mean useful, valuable public enterprises which are worthwhile in themselves; I am not talking about made-work. This criterion necessarily limits the job-giving possibilities of public works. * * * Yet we should never confuse a make-shift program of this sort (which was necessary because there was no advance planning prior to the last depression) with a real work program which is planned far in advance and which will involve a sound investment of public funds.

Under a program of this latter type it would not be possible to give work to all the unemployed. A real fitting of jobs and men takes time—in Government as well as in private industry. A vast public works program by Federal, State and local Governments could give much employment, and could assist in stabilizing the economic system, but we should still have to reckon with the fact of considerable unemployment, perhaps for considerable periods of time.

There is one other limitation in a public works program which must be clearly recognized by advocates. Public spending on public works can be effective in improving current economic conditions only if the public spending constitutes an addition to, and not a displacement of, private spending. This does not mean that "public work should not compete with private work." Public work may often compete with private work without in any way dampening down business activity in general. * * *

The situation is quite different, however, if the Government undertakes to make products which compete directly in the market with the products of private enterprise. For example, if the Government expanded employment by putting the unemployed to work making mattresses, then the expansion of Government employment might result in the displacement of a comparable number of privately employed mattress makers. There may be no net gain at all in employment for the Nation.

Of course, any public work may in the long run compete with some private enterprise. When the community builds a bridge across a river, a ferry boat which has been operating at that point may be forced to go out of business. This is all right, insofar as bridges furnish better and faster transportation than ferries. But the really significant point to be borne in mind for employment purposes is that it takes a year or two to build a bridge, during which time the ferry is still operating, while many workers are employed in bridge construction. The significance of public projects as work-givers is greatest in those types of projects that require a long time to construct, long enough so that their entrance into active use occurs during the following recovery and prosperity period. Such projects truly add to employment in depressions without displacing labor elsewhere.

In the light of these limitations, it is fully apparent, first, that public works, designed for the purpose of offsetting a business depression, must be planned far in advance and must be timed as carefully

as human foresight can divine; and, second, such a program could never hope to provide jobs for all the unemployed at the time.

There are skeptics who argue that such human foresight is not possible—that we cannot foresee depressions, or prosperity either. If there were time, I should like to explore this point with you, but I shall have to leave you with nothing more than my own opinion, which is that something can be done in that direction. Perhaps the most significant accomplishment of the full employment legislation which now exists is that it provides for the first steps in planning for future emergencies. This planning may be poorly done at times; it may be inadequate at best; yet it is my conviction that it promises the brightest hope for the future. If we do fail several times, we may at least learn how to do it better.

So far on this point I have emphasized public works and public spending because these are factors which are directly under the control of the Government. This is really a form of planning by the Government for its own functions. I would assume, however, that a simple public works program would be accompanied by other planning as well. For example, the Government may be able to lower or to raise the rate of interest in such a way as to modify the future course of economic events. The ever-normal granary idea in agriculture represents an attempt by that industry to take account of the violent swings in agricultural production and marketing. Without attempting to develop this aspect of the subject at all, I would summarize simply by saying that here, too, I think much more can be done than has ever been done in the past. The greater the forethought, the better the prospect that the Nation can meet these problems without last-minute, emergency improvisations.

We should recognize clearly that maintaining high employment at all times will be a difficult, even impossible, task. The best we can hope for is that in prosperity periods unemployment will be comparatively low and that in business depressions we can prevent it from rising too high. Unemployment is inherent in business change and economic progress. We can minimize it, but we cannot prevent it. Is there anything else then that can be done?

Yes, there is something else. Why is unemployment such a disaster? Is it because it is a condition of not-working? Not necessarily; there are many forms of not-working which are recognized as desirable: periodic vacations, shorter hours per weeks, time spent in school or in training, etc. It is the interruption of income and the lack of future job prospects which upset the unemployed worker and his family. A guaranteed income could make unemployment a period of relaxation, retraining, or recuperation. Can we not effectively mitigate the chief horrors of unemployment by guaranteeing the income of the worker and his family during such a period?

This is the function of social security—of unemployment insurance in particular, but of other forms of social insurance as well. If the family income can run on, even though at a reduced rate, the worker may be able to make his unemployment into an opportunity for a better job. In any case, he can wait it out until his old job opens up. Since unemployment insurance is far below the level of wages under ordinary circumstances, there is a continuing incentive to return to work. Yet with the help of such savings as he may have, the worker can keep his family going during unemployment. * * *

It is sometimes said that social security will sap the independence and initiative of the worker so that he will tend to reduce the family living standards to the benefit rate and desist from efforts to find work. It is conceivable that some workers might do this, but in eight years of paying unemployment benefits in this Country we have seen strikingly little evidence of any such tendency. In actual fact, do not most of the incentives run in exactly the opposite direction? Has the existence of old-age insurance lessened the purchase of annuities from

private insurance companies? The records show that the purchase of private annuities has expanded enormously. I do not know of a progressive insurance salesman who does not build life insurance and retirement programs for his clients upon the foundation of Federal old-age insurance. What we need is an expanded and improved social security program that will provide workers with minimum protection against major risks of economic life. That is one of the best methods of making the present economic system work satisfactorily.

There is one last thought I wish to add. Social security in the form of unemployment insurance does more than passively protect workers and their families against wage loss. It serves a positive, constructive purpose in promoting the efficiency and productivity of the economic system. If a trained social worker should be out of work next month, would the economic interests of the Nation be best served by pushing her immediately into a domestic service job? Not at all; it is true that she would soon be at work, and there would be no visible unemployment. But there is hidden unemployment—she is at work far below her highest skill and perhaps considerably below her normal earnings. There is a true economic loss to the Nation in this underutilization of her skill. One social worker might not be important to the nation, but multiply this example by millions of industrial workers, and you can see how important such a loss might be. It simply is not true that at all times and in all circumstances it is better to have people at work in jobs than to have them unemployed and looking for jobs. A reasonable spell of unemployment that eventuates in the placement of the worker at his highest skill is more productive in an economic sense than immediate placement in a job at a lower skill. The result is better for the worker and better for the economy. * * *

I have pointed to no millennium and to no panacea. I look forward hopefully to a world of international peace abroad and of prosperity and productivity at home. I foresee rising wages and a rising standard of living for American workers. In my opinion it will be great progress if the next depression is shorter and shallower than those we have experienced before; it will be progress if unemployment can be kept within reasonable bounds, and that, in any event, its more serious consequences can be overcome. * * *

The world in which we live grows steadily more complex; we shall need increasing skills to make it work well. There is one conclusion to this paper: If our problems are great, so are our opportunities. We have a good chance to make this world a better place in which to live than it has ever been before.

LOOKING AHEAD AT UNEMPLOYMENT INSURANCE ADMINISTRATION

(Experience Rating)

By

R. G. WAGENET

Director, Bureau of Employment Security

Interstate Conference, San Francisco, October 16, 1946

" * * * * * In the future we must keep our minds open to possibilities for major improvements in our program. I refer specifically to the possibility of developing benefit formulas that look to simpler and more direct measurements of qualifying attachment of the worker to the labor force and of wage loss, to relief from the burden of collecting and processing quarterly wage reports, and to decentralization of benefit payments. The Bureau is consulting with State agencies in the exploration of these fields. Another example is the need for simpler and sounder experience-rating plans. As you know, the Bureau recommends a plan based on quarterly pay-roll declines as preferable to systems using benefits or benefit derivations as a measure of employer's experience with unemployment. But doubtless, in this area, too, the last word is as yet unspoken. * * * * *

TABLE NO. 44

Weekly Benefit Amount for Total Unemployment and Maximum Potential Benefits In a Benefit Year, for Five Hypothetical Claimants with Specified High-Quarter and Base-Period Wages, by State, Sept. 30, 1945, for Fourteen States

STATE	Claimant A: Average Weekly Wage of \$7.50 & Base-Period Wages of \$200 ¹				Claimant B: Average Weekly Wage of \$19 & Base-Period Wages of \$600 ¹				Claimant C: Average Weekly Wage of \$30.75 & Base-Period Wages of \$1,000 ¹				Claimant D: Average Weekly Wage of \$38.50 & Base-Period Wages of \$1,500 ¹				Claimant E: Average Weekly Wage of \$46 & Base-Period Wages of \$2,100 ¹			
	Weekly Benefit Amount	Potential Benefits Maximum Amt.	Duration (wks.)	Weekly Benefit Amount	Potential Benefits Maximum Amt.	Duration (wks.)	Weekly Benefit Amount	Potential Benefits Maximum Amt.	Duration (wks.)	Weekly Benefit Amount	Potential Benefits Maximum Amt.	Duration (wks.)	Weekly Benefit Amount	Potential Benefits Maximum Amt.	Duration (wks.)	Weekly Benefit Amount	Potential Benefits Maximum Amt.	Duration (wks.)		
Basic Benefit																				
Colorado†	*\$ 5.00	\$66.67	13†	\$10.00	\$160	x16	x\$15.00	x\$240	x16	x\$15.00	x\$240	x16	x\$15.00	x\$240	x16	x\$15.00	x\$240	x16		
Connecticut ²	Incl.	Incl.	Incl.	10.00	160	16	15.00	260	17†	19.00	380	20	22.00	440	20	22.00	440	20		
Florida†	*5.00	50.00	10	11.00	150	13†	x15.00	x240	x16	x15.00	x240	x16	x15.00	x240	x16	x15.00	x240	x16		
Iowa†	*5.00	50.00	10	11.00	150	13†	15.00	250	16†	16.00	272	17	x18.00	306	x17	x18.00	306	x17		
Iowa	*5.00	66.67	13†	10.87	196	x18	17.39	313	x18	x18.00	324	x18	x18.00	324	x18	x18.00	324	x18		
Maryland	Incl.	Incl.	Incl.	13.00	150	11†	x20.00	250	12†	x20.00	375	18†	x20.00	520	x26	x20.00	520	x26		
Maryland†	*5.00	80.00	U 16	10.00	160	U 16	x15.00	x240	U 16	x15.00	x240	U 16	x15.00	x240	U 16	x15.00	x240	U 16		
Nevada†	*8.00	67.00	8†	13.00	200	15†	x18.00	334	18†	x18.00	x360	20	x18.00	x360	20	x18.00	x360	20		
New Mexico†	*5.00	67.00	13†	10.00	160	x16	x15.00	x240	x16	x15.00	x240	x16	x15.00	x240	x16	x15.00	x240	x16		
New York	Incl.	Incl.	Incl.	11.00	286	U 26	x17.00	442	U 26	x21.00	x546	U 26	x21.00	x546	U 26	x21.00	x546	U 26		
Utah†	*7.00	115.00	16†	16.00	299	x18†	x25.00	x460	x18†	x25.00	x460	x18†	x25.00	x460	x18†	x25.00	x460	x18†		
Vermont	*6.00	120.00	U 20	11.00	220	U 20	x16.00	320	U 20	x20.00	x400	U 20	x20.00	x400	U 20	x20.00	x400	U 20		
Washington	Incl.	Incl.	Incl.	10.00	150	15	x13.00	247	19	x18.00	432	24	x24.00	624	24	x24.00	624	24		
Wyoming	*7.00	60.00	8†	13.00	160	12†	x20.00	260	13	x20.00	380	19	x20.00	x400	x20	x20.00	x400	x20		

Basic Benefit Plus

Maximum

Allowances for

Dependents

Connecticut

Nevada

†Indicates plus fraction.

*Indicates minimum weekly benefit amount, minimum potential annual benefits, or minimum weeks of benefits for total unemployment.

xIndicates maximum weekly benefit amount, maximum potential annual benefits, or maximum weeks of benefits, other than uniform duration.

U—Indicates uniform duration for all eligible claimants.

†Average weekly wage derived by assuming 13 weeks of employment in high quarter: Claimant A, \$100 high-quarter wages; claimant B, \$250 high-quarter wages; claimant C, \$400 high-quarter wages; claimant D, \$500 high-quarter wages; claimant E, \$600 high-quarter wages.

See below for benefit with maximum compensable dependents under State law.

†Indicates plus fraction.

*Indicates minimum weekly benefit amount, minimum potential annual benefits, or minimum weeks of benefits for total unemployment.

xIndicates maximum weekly benefit amount, maximum potential annual benefits, or maximum weeks of benefits, other than uniform duration.

U—Indicates uniform duration for all eligible claimants.

†Average weekly wage derived by assuming 13 weeks of employment in high quarter: Claimant A, \$100 high-quarter wages; claimant B, \$250 high-quarter wages; claimant C, \$400 high-quarter wages; claimant D, \$500 high-quarter wages; claimant E, \$600 high-quarter wages.

See below for benefit with maximum compensable dependents under State law.

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†Average weekly wage derived by assuming 13 weeks of employment in high quarter: Claimant A, \$100 high-quarter wages; claimant B, \$250 high-quarter wages; claimant C, \$400 high-quarter wages; claimant D, \$500 high-quarter wages; claimant E, \$600 high-quarter wages.

See below for benefit with maximum compensable dependents under State law.

INDEX

	Page
Accounts, employer	41
Administrative expenditures	18, 76-81, 100
Administrative functions	45-106
Advisory council	Back Cover
Agriculture, self-employed	99, 101
"Amendments to Social Security Act"	108-110
Appeals	81-82, 102
Appropriations	14
Armed forces, Montanans in	34, 89, 90, 93
Average Duration of benefits	89-91
Average weekly benefits	65
Benefits and Claims	23, 51
Benefit formula	11
Benefit, liberalization of	2, 10-11, 21
Benefit payments	18, 45, 46-47, 48, 49, 54, 55, 59, 70, 72
Benefit payments, by counties	23, 46-47, 49, 50
Benefit payments, by months	59, 60
Benefit payments, by states	60
Benefit payments, by weeks	46-47, 49, 55
Benefit payments to repeaters	18, 56-57
Benefit payments to women	57
Benefit refunds	16, 72
Benefits and Income	16-19, 29
Benefits, average duration	89-91
Benefits, average weekly	65
Benefits, by industries	52-53
Benefits, certified, self-employment	96
Benefits, charges by industries	Insert
Benefits, duration of	11
Benefits, exhaustion of	52-53, 55, 56, 58, 59
Benefits, first payments	52-53
Benefits for eight years	18
Benefits, increase of	11
Benefits, interstate	45-47
Benefits, maximum	11, 13, 56, 62, 67
Benefits, minimum	11, 13, 64
Benefits, number of workers receiving	55
Benefits, sickness	11-12, 26, 27, 28, 29-33
Benefits, to contributions, ratios	Insert
Benefits, to women	52-53, 55, 57, 58
Bennion, Fred, statement of	108-110
Bill of Rights, G. I.	89, 99
Bureau of Labor Statistics	42-43
Business, growth	37, 40-42
Business, small	38-39
Charge-back by industries	Insert
Clague, Ewan, Excerpts from speech of	110-116
Claimant investigations	58
Claimant repetition, study of	18, 56-57
Claims, additional	57
Claims and Benefits	23, 51
Claims, by months	59, 60
Claims, by repeaters	18, 56-57
Claims, continued	59
Claims, disposition of	59
Claims, initial	57, 59
Claims, interstate	48, 60
Claims, women	57

INDEX—(Continued)

	Page
Coal mining	27
Collections	16, 68-69, 70, 71, 74
Compensation plan	84, 85
Contributions	12, 68-75
Contributions and Benefits	16-19
Contributions to Federal government	18, 20
Cost of living	13
Council, advisory	Back Cover
Council, merit rating	83, 84
Counties, benefit payments by	23, 46-47, 49, 50
Coverage, employer	69
Coverage, extension of	2, 11, 21
Coverage, uniform	11
Coverage, various states	24-25
Delinquency, employer	69
Disability insurance	11-12, 26, 27, 28, 29-33
Disability insurance, cost of	26, 27, 29, 30, 31, 32-33
Disbursements	72
U C	18
Veterans	18
Disqualifications	59
Duration of benefits	62, 63, 64, 67
Employees, September payrolls	86-88
Employer accounts, status by months	41
Employer contributions	16, 18, 68-75
Employer experience rating	12, 73
Employer penalties, interest	16, 70
Employer reports	69
Employer visits	69
Employers, average	38
Employment, average	36, 37, 38, 43
Employment estimates	42-43
Employment in covered industries	36
Employment, Montana	34, 35-43, 54
Employment, seasonal	18, 56, 57, 58
Employment service	83, 84, 91, 100, 102-106
Employment service objectives	104, 105
Employment service, return to state	85, 102
Employment, stabilization of	8
Employment, variations of	18, 38, 42, 51, 55, 56, 57, 58, 68
Employment, veterans	35
Expenditures, administrative	18, 76-81, 100
Experience rating	12, 73, 116
Extension of coverage	2, 21
Extension of Social Security law	10-11
Fey, Ambrose J.	6
Financial statement	72
First payments, benefit	52-53, 59
Foreword	8-9
Freezing of wage credits	54, 95
"Full Employment"	110-116
Fund, source of	76
Fund status, by states	75
Fund, trust	12, 54, 69, 72, 75, 95
G. I. Bill of Rights	89, 99
Income and Benefits	16-19, 29
Income, total	16, 69
Individuals, number paid	55, 68
Men	55
Women	55

INDEX—(Continued)

	Page
Insurance, sickness	11-12, 26-33
Coal miners	27
Railroad workers	27
Interest on trust fund	16, 69, 70, 72
Interstate agreement	88
Interstate claims	61
Interstate payments by states	48, 60, 61
Interstate conference of Employment Security agencies	88
Intrastate and interstate payments	46-47
"Issues in Social Security"	107-108
Itinerant service	103
Labor disputes	21-22, 36
Labor force	34
Lag quarters, authority to change	11
Legislative, appropriations	14
Legislative recommendations	10-14
Letter of Transmittal	3-5
Liberalization of benefits	2, 10-11, 21
Local offices	77, 103
McManis, George	6
Merit rating for employers	(See experience rating)
Merit system council	83, 84
Montana cities, population of	77
Montana counties, population of	106
Montana, governor of	2, 26
Montana, population of	38, 40, 42
Montana State Employment Service	83, 84, 91, 100, 102-106
Occupations not covered	11
Payments	(See benefit payments)
Payments, total	45
Payments, veterans	45
Peak unemployment	58, 68
Penfield, Elden M.	6
Personnel	83-88
U.S.E.S.	83
Population, Montana	38, 40, 42
Population, Montana cities	77
Population, Montana counties	106
"Protection of the unemployed"	107-108
Public Law 16	89
Public Law 346	89
Railroad Retirement Board	16, 71
Ratio, payments to women	52-53
Ratios, benefits to contributions	Insert
Ratios, continued claims to covered workers	65-66
Readjustment allowance program	51, 54
Repayments to state (VA)	16
Recommendations of Louis G. DeNayer	14
Recommendations to 1947 legislature	10-14
Receipts	16, 69, 72
Receipts transferred to Railroad Retirement Board	16
Receipts, trust fund	12, 69, 72
Reconversion, Montana	9, 20, 35, 39-40, 50, 58, 76-77, 104
Reduction of taxes	12
Repeaters, benefit payments	18, 56-57
Repeaters, claimant	18, 56-57
Reports, quarterly	69
Reserves	10-13, 75
Reserves, adequacy of	10-13, 75
Reserves of states	75

INDEX—(Continued)

	Page
Seasonal employment	18, 56, 57, 58
Service workers, domestic	44
Servicemen's Readjustment Act 1944	89, 91
Sickness benefits, present	27
Sickness benefits, proposed	11-12, 26, 28, 29-33
Social Security Administration	83
Social Security, future of	22
Social Security law, extension of	10-11
Social Security, Montana, Governor Sam C. Ford on	2
Stabilization of employment	8
State fund, status of	12, 54, 69, 72, 95
Statement, financial	72
Suitability of work	94
Tax reductions	12
Transmittal Letter	3-5
Trust fund	12, 54, 69, 72, 95
Trust fund, interest on	72
Unemployed, number by years	34
Unemployment, a problem	15
Unemployment Compensation, ten years of	15-23
Unemployment, low	51, 55, 68
Unemployment, peak	58, 68
Variations in employment	18, 38, 42, 51, 55, 56, 57, 58, 68
Veterans Administration	89
Veterans, appeals	81-82, 102
Veterans benefits	45
Veterans Employment Service	105
Veterans, freezing of wage credits	95
Veterans Readjustment allowance program	89-102
Veterans, self-employed	23, 31, 45-47, 92, 95-100
Veterans, unemployed	23, 31, 45-47, 92, 93-95
Wage credits, freezing of	54, 95
Wages, qualifying	67
Wagenet, on Experience Rating	116
Wagenet, on Freedom from Want	75
Wagenet, on Sickness Insurance	33
Wagner-Murray-Dingell bill	10
Waiting period	10, 67
Weekly benefits, average	65
Weekly claim load	46-47, 49, 55
Workers, average employment	36, 43, 44
Workers, out-of-state	54
Work test	94

TABLES

No.	Page
1. Public Payments in relation to Total Income Payments	9
2. Total Income by Calendar Years	16
3. Total Disbursements for Ten Years	18
4. Provisions of Unemployment Compensation Laws for 15 States	24-25
5. Duration of Disability, Number per 100,000 Workers	28
6. Average Monthly Employment, Seven States	36
7. Covered Employers, by Average Number of Workers, by Quarters	38
8. Employer Account Status, Jan. 1, 1945 to Sept. 1, 1946	41
9. Changes in Covered Workers, Seven States	43
10. Average Annual Wage of Workers Covered by Seven State U. C. Laws	43
11. Average Weekly Wage of Workers Covered by Seven State U. C. Laws	44
12. Domestic Service Workers, 1940, Seven States	44
13. Distribution Unemployment Compensation and Veterans Payments, by Counties	46-47
14. Per Cent of Weeks of Total Unemployment Compensated, Seven States	48
15. Distribution Unemployment Compensation Benefits, by Industry	52-53
16. Distribution Unemployment Compensation Benefits, Number of Individuals	55
17. Claimants Exhausting Benefits	56
18. Ratio of Exhaustion to First Payments, 15 States	56
19. Initial Benefit Claims, by Months	57
20. Benefit Payments, by Months	59
21. Interstate Benefit Payments, by States	60
22. Amount of Payments, by Months	61
23. Interstate Claims, by Months	61
24. Maximum Benefit and Duration, by States	62
25. Amount and Duration of Benefits	63
26. Maximum Benefit, Duration, and Coverage, Seven States	64
27. Minimum Benefit and Qualifying Wage, Seven States	64
28. Average Weekly Benefit	65
29. Maximum Waiting Period, Seven States	67
30. Maximum Benefits, Duration and Required Wages, Seven States	67
31. Average, High, and Low Number Beneficiaries, 14 States	68
32. Comparison of Net Collections	71
33. Average Contribution Rates in Experience Rating States, 1940-45	73
34. Tax Collections (Unemployment Compensation) for 14 States	74
35. Collections, Benefits, and Fund Status, 13 States	75
36. Advances Granted, by year, for Unemployment Compensation, 7 States	78
37. Ratio of Expenses to Contributions and Benefits	79
38. Federal Administrative Employment	80
39. Public Pay Rolls—Seven States	81

TABLES—(Continued)

No.		Page
40.	Appeals—Civilian and Veteran	82
41.	Inductions and Discharges—by Counties	93
42.	Veterans Unemployed Allowances, by Months	94
43.	Self-Employed Payments, by Industry	96
44.	W. B. A. for Hypothetical Claimants for 14 States	117
	Insert—Contributions, with Benefits and Ratios, by Industry—Montana Inside Back Cover.	

CHARTS

Where Benefit Funds Came From	17
Montana Job Trends	34
How War Affected Montana Business	37
What Has Happened to Montana Veterans	90
Total Self-Employment Claims—by States	98

MAPS

MONTANA

Total Payments, Claims, by Counties	23
Unemployed Claims Payments, by Counties, Sept. 30 to Oct. 5, 1946	49
Number Veterans Discharged and Allowances Paid	92
Local Offices of Commission (and Itinerant Points)	103

UNITED STATES

Unemployment Ratios—Three Selected Weeks	66
Ratio Self-employed Claimants in Agriculture to Other	101

UNEMPLOYMENT COMPENSATION COMMISSION OF MONTANA — HELENA

TABULATION OF CONTRIBUTIONS FOR FISCAL YEARS FROM JULY 1, 1939 TO JUNE 30, 1940—JULY 1, 1945 TO JUNE 30, 1946, WITH BENEFITS
AND RATIOS, BY INDUSTRIES FOR MONTANA EMPLOYERS COVERED BY THE MONTANA UNEMPLOYMENT COMPENSATION LAW.

July 1, 1939 to June 30, 1940				July 1, 1940 to June 30, 1941				July 1, 1941 to June 30, 1942				July 1, 1942 to June 30, 1943				July 1, 1943 to June 30, 1944				July 1, 1944 to June 30, 1945				July 1, 1945 to June 30, 1946				GRAND TOTAL FOR SEVEN YEARS				
		Amount of Contributions	Benefits Paid	Ratio of Ben't to Cont's (per cent)		Amount of Contributions	Benefits Paid	Ratio of Ben't to Cont's (per cent)		Amount of Contributions	Benefits Paid	Ratio of Ben't to Cont's (per cent)		Amount of Contributions	Benefits Paid	Ratio of Ben't to Cont's (per cent)		Amount of Contributions	Benefits Paid	Ratio of Ben't to Cont's (per cent)		Amount of Contributions	Benefits Paid	Ratio of Ben't to Cont's (per cent)		Amount of Contributions	Benefits Paid	Ratio of Ben't to Cont's (per cent)		Amount of Contributions	Benefits Paid	Ratio of Ben't to Cont's (per cent)
Ind.	Total all Industries	\$2,583,841	\$2,956,594	114.4	3.1	\$2,787,742	\$2,972,226	106.6	2.9	\$3,023,980	\$1,676,791	55.4	1.5	\$3,606,826	\$ 186,047	5.1	.14	\$3,535,487	\$ 88,212	2.5	.07	\$3,551,535	\$73,431	2.07	\$ 3,781,081	\$ 891,248	23.57	\$22,870,492	\$8,844,377	38.67		
	MINING	526,222	694,424	131.9	3.6	638,707	750,575	117.5	3.2	813,199	291,112	35.7	1.0	969,797	25,171	2.6	of 1%	926,342	24,788	2.7	of 1%	720,587	15,667	2.17	600,523	242,034	40.30	5,195,377	2,043,771	39.34		
10	Metal Mining	414,310	495,461	119.5	3.2	513,566	558,571	108.7	2.9	671,147	197,105	29.3	0.8	786,745	15,543	1.9	†	705,057	21,381	3.0	†	488,908	12,692	2.60	392,346	186,238	47.47	3,972,079	1,486,991	37.44		
12	Coal Mining	47,442	126,892	267.4	7.2	48,912	128,990	263.7	7.1	65,977	52,371	79.3	2.0	99,305	6,844	6.8		103,547	1,930	1.8		98,020	824	.84	44,356	30,068	35.64	547,559	347,919	63.54		
13	Petroleum & Natural Gas Prod.	56,491	36,045	63.8	1.7	66,708	38,442	57.6	1.6	63,870	26,633	41.6	1.1	65,889	1,222	1.8		95,947	920	1.0		105,726	120	†	96,258	14,296	14.85	550,889	117,678	21.36		
14	Non-metallic Mining	7,979	36,026	451.5	12.2	9,521	24,572	258.0	7.0	12,205	15,003	122.9	3.3	17,858	1,562	8.7		21,791	557	2.5		27,933	2,031	7.27	27,563	11,432	41.48	124,850	91,183	73.03		
	CONSTRUCTION	183,704	720,079	391.9	10.6	175,504	599,065	341.8	9.2	146,290	330,740	225.9	6.1	354,155	26,374	7.4		180,552	11,325	6.3		206,318	8,755	4.24	261,778	102,065	38.99	1,508,301	1,798,403	119.23		
15	Contractors, Building	48,371	162,148	335.2	9.1	48,368	118,821	247.0	6.7	40,743	87,075	213.7	5.8	117,145	12,312	10.5		53,089	4,615	8.6		63,017	3,260	5.17	94,177	30,078	31.94	464,910	418,309	89.98		
16	Gen. Contr's, other than Bldg.	94,404	467,733	495.4	13.4	83,430	402,740	482.7	13.1	66,578	188,056	283.2	7.7	191,363	8,470	4.4		84,939	3,815	4.4		92,156	3,230	3.50	87,717	52,988	60.41	700,586	1,127,032	160.87		
17	Contr's, Spec. Trade, (plumbing, heating, electrical, painting, etc.)	40,929	90,198	220.3	6.0	43,706	77,504	177.3	4.8	38,969	55,609	142.7	3.9	45,647	5,592	12.2		42,524	2,895	6.8		51,146	2,265	4.43	79,834	18,999	23.78	342,805	253,062	73.82		
	MANUFACTURING	529,187	503,219	95.0	2.6	602,607	455,727	75.6	2.0	698,009	289,346	41.4	1.1	838,025	30,876	3.7		890,676	14,470	1.6		899,244	18,213	2.03	839,926	221,407	26.36	5,297,674	1,533,258	28.94		
20	Food Manufacturing	139,251	259,129	186.0	5.0	149,877	212,448	141.7	3.8	141,182	141,288	100.0	2.7	173,292	11,554	6.7		198,910	6,806	3.4		208,274	8,366	4.02	228,545	96,451	42.20	1,239,331	736,042	59.39		
24	Lumber Manufacturing	87,997	150,036	170.5	4.6	115,047	137,795	119.7	3.2	143,209	86,287	60.2	1.6	173,201	11,198	6.5		201,229	5,666	2.8		193,308	8,252	4.27	153,120	88,227	57.62	1,067,111	487,461	45.68		
27	Printing and Publishing	54,918	11,622	21.1	0.6	56,020	13,828	24.6	0.7	53,936	9,692	17.9	0.5	52,682	3,038	5.8		54,979	633	1.1		57,094	170	†	62,707	3,807	6.21	392,336	42,880	10.93		
29	Petroleum Products, Mfg.	35,503	15,607	43.9	1.2	36,476	16,753	45.8	1.2	46,780	5,121	10.9	0.3	49,202	594	1.2		47,548	525	1.1		49,404	515	1.04	50,988	2,558	5.02	315,901	41,653	13.19		
35	Non-Ferrous Metals (Smelt. & Rfg.)	171,185	15,972	9.3	0.3	191,393	31,701	16.5	0.4	252,637	25,899	10.2	0.3	317,612	1,838	0.6		283,454	265	0.09		266,559	90	†	242,491	1,256	.52	1,725,331	77,021	4.46		
MF	Miscellaneous Manufacturing	40,333	50,853	126.0	3.4	53,794	43,222	80.3	2.2	60,265	21,059	34.9	0.9	72,036	2,654	3.7		104,556	575	0.5		120,415	820	†	102,075	29,018	28.43	557,664	148,201	26.58		
	TRANS. COMMUN. & UTILITIES	225,007	142,513	63.3	1.7	238,057	135,473	56.9	1.5	249,369	75,451	30.2	0.8	276,051	7,448	2.7		290,394	5,395	1.9		322,919	2,460	.76	333,511	33,704	10.11	1,935,308	402,444	20.79		
41-45	Trans. (except railroads)	60,278	62,964	104.4	2.8	64,547	59,664	92.4	2.5	72,998	31,153	42.6	1.2	105,758	1,891	1.8		116,339	1,135	1.0		142,935	1,113	.75	132,698	21,578	16.26	702,313	179,498	25.56		
46	Telephone & Telegraph	44,292	14,313	32.3	0.9	46,756	18,224	38.9	1.1	50,581	7,776	15.3	0.4	55,551	827	1.5		61,899	1,041	1.7		63,481	613	.97	78,682	2,479	3.15	401,242	45,273	11.28		
48-49	Utilities (Public Services)	120,437	65,236	54.1	1.5	126,754	57,585	45.4	1.2	125,700	36,522	29.0	0.8	114,742	4,730	4.1		112,156	3,219	2.9		109,743	734	†	122,131	9,647	7.90	831,753	177,673	21.36		
	WHOLESALE & RETAIL	818,963	693,607	84.6	2.3	840,762	777,005	92.4	2.5	826,881	506,428	61.2	1.7	844,402	67,016	7.9		918,435	21,807	2.4		1,010,256	17,648	1.75	1,269,534	219,989	17.33	6,528,233	2,303,500	35.29		
50-52	Wholesale Trade	273,274	151,233	55.3	1.5	276,700	151,464	54.7	1.5	271,499	155,143	42.4	1.1	284,108	22,541	7.9		304,919	7,144	2.3		339,069	5,494	1.62	421,365	70,554	16.74	2,170,934	523,573	24.12		
53-57	Retail Trade	398,588	284,078	71.2	1.9	412,223	289,605	70.2	1.9	409,857	187,867	45.8	1.2	391,068	23,842	6.1		417,400	8,095	1.9		458,469	6,241	1.36	560,293	72,003	12.85	3,047,538	871,731	28.60		
58	Eating and Drinking Places	105,751	212,166	200.6	5.4	106,116	293,158	276.2	7.5	100,757	177,293	175.9	4.7	124,506	19,223	15.4		154,250	6,423	4.2		193,069	5,913	3.06	259,251	73,305	28.28	1,043,700	787,481	75.45		
59	Filing Stations	41,350	46,130	111.5	3.0	45,723	42,778	93.5	2.5	44,768	26,125	58.3	1.6	44,720	1,410	3.2		41,226	145	0.4		19,649	None	†	28,625	4,127	14.42	266,061	120,715	45.37		
	FINANCE, INS. & REAL ESTATE	98,415	22,818	23.1	0.6	101,473	22,017	21.6	0.6	99,575	17,902	17.9	0.5	97,928	3,601	3.7		106,739	1,721	1.6		112,627	2,204	1.96	132,470	8,902	6.72	749,146	79,165	10.57		
60	Banks and Trust Companies	34,800	1,160	3.3	0.09	43,438	630	1.5	0.04	44,934	2,973	6.6	0.02	45,153	518	1.1		48,437	313	0.6		50,439	359	.71	57,260	2,669	4.66	324,461	8,622	2.66		
61	Security Dealers & Invest. Banking	1,533	1,025	66.9	1.8	1,511	836	55.3	1.5	1,360	599	40.0	1.2	991	217	21.9		780				1,060	None	†	1,259	332	26.37	8,494	3,009	35.43		
62	Finance Agencies, nec*	13,044	3,663	28.1	0.8	12,069	2,929	24.3	.7	7,232	1,916	26.5	0.7	8,306	243	2.9		8,393	130	1.5		9,427	66	.70	11,534	1,399	12.13	70,005	10,346	14.78		
63	Insurance Carriers	20,577	2,618	12.7	0.3	18,084	2,920	16.1	.4	19,293	1,552	8.0	0.2	17,679	445	2.5		18,435	283	1.5		18,266	166	.91	22,895	725	3.17	135,229	8,709	6.44		
64	Ins. Agents, Brokers, & Services	5,082	1,324	26.1	0.7	5,009	1,415	28.2	.8	4,783	564	11.8	0.3	4,543	306	6.7		3,765	199	5.3		3,743	None	†	4,507	187	4.15	31,432	3,995	12.71		
65	Real Estate	16,176	9,908	61.3	1.7	13,774	11,454	83.2	2.2	13,977	8,402	60.1	1.6	14,303	1,740	12.2		19,596	679	3.5		21,346	1,373	6.43	24,593	2,706	11.00	123,765	36,262	29.30		
66	Insurance, Loans, Real Estate, Law Offices: Any Combination	7,203	3,120	43.3	1.2	7,588	1,833	24.2	.7	7,996	1,896	23.7	0.6	6,953	132	1.9		7,333	117	1.6		8,346	240	2.88	10,341	884	8.55	55,760	8,222	14.75		
	SERVICE	189,436	176,806	93.3	2.5	188,728	223,861	118.6	3.2	188,371	156,279	82.9	2.2	224,750	25,193	11.2		221,716	8,308	3.7		277,421	8,364	3.01	340,677	62,012	18.20	1,631,099	660,823	40.51		
70	Hotels and Rooming Houses	41,575	73,605	177.0	4.8	41,575	84,089	202.2	5.5	40,487	69,004	170.4	4.6	43,775	10,902	24.9		46,294	2,868	6.2		54,004	2,672	4.95	66,706	23,123	34.66	334,416	266,263	79.62		
72	Personal Service	46,037	33,787	73.3	2.0	46,208	46,996	101.7	2.7	47,877	34,502	72.0	1.9	56,202	4,917	8.7		61,128	1,876	3.1		67,387	2,322	3.45	81,835	13,845	16.92	406,674	138,245	33.99		
73-76	Business & Repair Services	25,651	18,001	70.1	1.9	26,292	19,404	73.8	2.0	25,699	13,179	51.2	1.4	32,552	2,466	7.58		31,348	1,144	3.6		61,737	1,087	1.76	80,574	11,424	14.18	283,853	66,705	23.50		
78-79	Motion Pictures & Amusements	28,859	30,143	104.4	2.8	27,143	42,092	155.0	4.3	25,524	18,178	71.2	1.9	26,509	2,136	8.1		27,595	714	2.6		29,601	1,208	4.81	34,330	7,177	20.91	199,561	101,648	50.94		
80-86	Professional & Social Services	47,314	21,270	44.9	1.2	47,510	31,280	65.8	1.8																							

*Not elsewhere classified.

†Ratio not given. Too small to be significant.

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of the
Unemployment Compensation
Commission

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